

Indiannica Learning Private Limited
(Formerly known as Encyclopaedia Britannica
(India) Private Limited)

Financial Statement for the
year ended 31st March 2018

DIRECTORS' REPORT

To
The Members,

The Directors have pleasure in presenting their Report and Statement of Accounts for the financial year ended 31st March, 2018.

FINANCIAL SUMMARY

The Company's financial performance for the year under review along with previous year's figures are given hereunder:

Particulars	For year ended 31 st March, 2018 Amount (in '000's)	For Year ended 31 st March, 2017 Amount (in '000's)
Total Revenue	573,964	711,476
Other income	2,224	3,134
Total Income	576,188	714,610
Expenses	764,375	772,847
Profit before Extraordinary items & tax	(188,188)	(58,237)
Extraordinary items	(7,185)	87,560
Profit before Tax	(181,003)	(145,797)
Tax	12,896	7,017
Profit/(Loss) after tax	(193,899)	(152,815)

DIVIDEND

The Company has not declared any dividend for the year under review and accordingly the company is not required to transfer any amount to General Reserve.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134(5) of the Companies Act, 2013, Directors subscribe to the "Directors' Responsibility Statement" and confirm that:

- (a) in preparation of Annual Accounts for the year ended 31st March, 2018, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on March 31, 2018 and its loss for that period ended on March 31, 2018;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing

and detecting fraud and other irregularities;

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

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

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

MEETINGS OF THE BOARD OF DIRECTORS

During the financial year ended 31st March 2018, 4 (Four) Meetings of the Board of Directors of the company were held on 16.05.2017, 13.09.2017, 21.11.2017, 19.12.2017.

S. no	Name of the Director	No. of Board Meeting held	No. of Meetings attended
1	Mr. Anil Dungarshi Gala	4	4
2	Mr. Sumit Gupta	4	2
3	Mr. Sarveshwar Shrivastava	4	1
4	Mr. Sanjeev Jitendra Gala	4	1
5	Mr. Kalpesh Harakhchand Gala	4	2
6	Mr. Tushar Kumudrai Jani	4	4
7	Mr. Chandravir Saran Das	4	4
8	Mr. Natrajan Vishwanathan Iyer	4	4

DETAILS OF DIRECTOR OR KEY MANAGERIAL PERSONNEL APPOINTED/REAPPOINTED OR RESIGNED DURING THE YEAR

DIN No. /PAN No.	Name of Director	Designation	Date of Appointment /Re-appointment	Date of Cessation
00039596	Sumit Gupta	Managing Director	16/05/2017	-
00039596	Sumit Gupta	Managing Director	4/10/2017	-
00708584	Sarveshwar Shrivastava	Managing Director	--	16/05/2017
00039596	Sumit Gupta	Chief Financial Officer	--	16/05/2017
00093731	Kalpesh Harakhchand Gala	Additional Director	16/05/2017	--

ANNUAL RETURN

The extract of Annual Return of the Company in Form MGT-9 forms part of the Board's Report and is annexed herewith as **Annexure-1**.

DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees or investments made under Section 186 are furnished in enclosed statement of accounts and are not being mentioned here for the sake of brevity.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company that occurred during the end of the financial year to which this financial statements relate and the date of this report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary or joint ventures or associates company. The Company is subsidiary Company of Navneet Education Limited.

RISK MANAGEMENT POLICY

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The company has laid down a comprehensive Risk Assessment and minimization procedure which is reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as business, project execution, event, financial, human environment and statutory compliance.

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

INTELLECTUAL PROPERTY

Trademark application has been filed under The Trade Marks Act, 1999 conferring the exclusive rights to use the trademark in relation to its products and services and is under process.

CORPORATE SOCIAL RESPONSIBILITY [CSR]

The provisions of Section 135 of the Companies Act, 2013 as relate to Corporate Social Responsibility do not apply to the Company.

AUDIT COMMITTEE

As per the provisions of Section 177 of the Companies Act, 2013, the Company has constituted an audit committee which functions as per the provisions of the Act.

NOMINATION AND REMUNERATION COMMITTEE

As per the provisions of Section 178 of the Companies Act, 2013, Company has constituted a Nomination and Remuneration Committee which functions as per the provisions of the Act.

RELATED PARTY TRANSACTIONS

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review which was not at arm's length or not in the ordinary course of business.

AUDITOR AND AUDITORS' REPORT

The Auditors, M/s N.A Shah Associates LLP, Chartered Accountants were appointed as statutory Auditors of the Company to hold office from the conclusion of the 19th Annual General Meeting until the conclusion of the 24th Annual General Meeting to be held in the year 2022 (subject to ratification of their appointment by the Members at every AGM held after the 19th AGM) and being eligible offer themselves for reappointment of the Company, which is subject to shareholders approval.

There are no qualifications or adverse remarks by the Auditors in their Report. The observations of the Statutory Auditors in their Report on the financial statement for the year ended on 31st March, 2018 are self-explanatory and therefore do not call for any further comments.

SECRETARIAL AUDIT REPORT

The provisions relating to submission of Secretarial Audit Report are not applicable to the Company.

DECLARATION OF INDEPENDENT DIRECTORS

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

PARTICULARS OF EMPLOYEES

The Company has no employee in the category of employees specified under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

SHARES

There was no change in the Share Capital of the Company by way buy back of shares, bonus issue of shares or any Stock Option Scheme to the employees during the year under review.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has set up a system in line with the requirements of the Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress complaints received and disposed off during the financial year.

During the year under review, no complaint has been received by the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

As the Company is not engaged in any manufacturing activities the provisions of Section 134(m) of the Companies Act, 2013 do not apply to the Company.

There was no foreign exchange inflow or outflow during the year under review.

ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the company to remain as industry leaders.

The Board places on record its appreciation for the support and co-operation your company has been receiving from its business partners and others associated with the company. It will be the company's endeavor to build and nurture strong links based on mutuality of benefits, respect for and co-operation with each other, consistent with client interests. The Directors also take this opportunity to thank all investors, clients, Banks, Government and regulatory authorities for their continued support.

By order of the Board
For M/s Indiannica Learning private limited


Anil Dungarshi Gala
Chairman & Director
DIN:00092952


Sumit Gupta
Managing Director
DIN:00039596

Date : 1st May, 2018

Place: New Delhi

Annexure-1**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31.03.2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

1. REGISTRATION & OTHER DETAILS:		
I	CIN	U22110DL1998PTC094399
ii	Registration Date	10/06/1998
iii	Name of the Company	INDIANNICA LEARNING PRIVATE LIMITED
iv	Category/Sub-category of the Company	Limited by shares
V	Address of the Registered office and contact details	A-41, Ground Floor (L2), Mohan Co-Operative Industrial Estate, Main Mathura Road, New Delhi -110044 E-mail : accounts@ebindia.com Tel: 011-47154112
vi	Whether Listed Company	No
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Publishing, printing, and reproduction of recorded media	581	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding /Subsidiary/ Associate	% of Shares held	Applicable Section
1	Navneet Education Limited	L22200MH1984PLC034055	Holding	100	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)

1) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	15	0	15	0.01	15	0	15	0.01	-
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	-
c) Bodies Corporate	49351048	0	49351048	99.99	49351048		49351048	99.99	-
d) Bank /FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (1)	49351063	0	49351063	100	49351063		49351063	100	-
(2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks /FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+ (A)(2)	49351063	-	49351063	100	-	-	49351063	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Navneet Education Limited	4,93,51,063	100	-	4,93,51,063	100	-	-
	Total	4,93,51,063	100	-	4,93,51,063	100	-	-

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

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	---	---	---	---
3.	At the end of the year	---	---	---	---

- There was no change during the Year

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	For Each of the Top 10 Shareholders	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	At the beginning of the year	NIL	NIL	NIL	NIL
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat	NIL	NIL	NIL	NIL
3.	At the End of the year	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in '000's)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,743	170,000		174,743
ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)	4,743	170,000		174,743
Change in Indebtedness during the financial year-				
Addition				
Reduction	4,743	20,000		24,743
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	0	150,000		150,000
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (I+ii+iii)	0	150,000		150,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager (In Rs):

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Sumit Gupta (wef 16 th May 2017)	Sarveshwar Shrivastava (1 st April – 16 th May 2017)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	85,39,147 32,400	25,94,780 5,110	
2.	Stock Option	-	-	
3.	Sweat Equity	-	-	
4.	Commission - as % of profit - others, specify...	-	-	
5.	Others, please specify	-	15,86,538	
	Total (A)	85,71,547	41,86,428	
	Ceiling as per the Act (After passing the special Resolution)	1,68,00,000	84,00,000	

B. Remuneration to other Directors (in Rs):

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Tushar Jani	Mr. Chandravir S Das	-	-	
1.	Independent Directors - Fee for attending board/ committee meetings - Commission - Others, please specify	80,000 40,000	80,000 40,000			1,60,000 80,000

	Total (1)	1,20,000	1,20,000				2,40,000
2.	Other Non-Executive Directors · Fee for attending board/committee meetings · Commission · Others, please specify	-	-				-
	Total (2)	-	-				-
	Total (B)=(1+2)	1,20,000	1,20,000				2,40,000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act.						

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Amount In Rs.

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		(Chief Financial Officer) Sumit Gupta (1 st April-15 th May 2017)	(Company Secretary) Meera Sawhney	(CEO)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3)	66,24,447	3,39,348	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
-	Commission · as % of profit · others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	66,24,447	3,39,348	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
------	------------------------------	-------------------	--	-----------------------------	-----------------------------------

A. COMPANY	
Penalty	NIL
Punishment	
Compounding	
B. DIRECTORS	
Penalty	NIL
Punishment	
Compounding	
C. OTHER OFFICERS IN DEFAULT (COMPANY SECRETARY)	
Penalty	NIL
Punishment	
Compounding	

By order of the Board

For M/s Indiannica Learning private limited


Anil Dungarshi Gala
Chairman & Director
DIN:00092952


Sumit Gupta
Managing Director
DIN:00039596

Date : 1st May, 2018

Place: New Delhi

To,
The Members of
Indiannica Learning Private Limited
(Formerly known as 'Encyclopaedia Britannica (India) Private Limited')

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Indiannica Learning Private Limited** ('the Company') which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income) Statement of changes in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (together referred to as Ind AS financial statements).

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit of Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



Independent Auditor's report (continued)

Opinion

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 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 Ind AS, of the state of affairs of the Company as at 31st March 2018, and its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The figures for the year ended 31st March 2017 are based on the previously issued Ind AS financial statements that were audited by the erstwhile auditors whose report dated 16th May 2017 expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section (3) of Section 143 of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement 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 Indian Accounting Standards specified under Section 133 of the Act;
 - e. On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2018, from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to adequacy of internal financial controls system over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report given in "Annexure B"; and



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

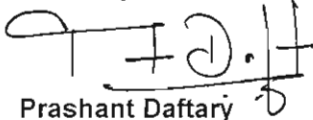
Independent Auditor's report (continued)

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

For N.A Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W / W100149



Prashant Daftary

Partner

Membership No. 117080



Place: New Delhi

Date: 1st May 2018

Independent Auditor's report (continued)

Annexure A to the Independent Auditor's Report for the year ended 31st March 2018

[Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

- (i) In respect of the Company's fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has physically verified all fixed assets during the year and no material discrepancies noticed on such verification. In our opinion, frequency of verification is reasonable having regards to the size of the Company and nature of its assets.
 - c. According to the information and explanations given to us and on examination of the records, we report that the Company does not own any immovable property. Therefore, clause (i) (c) of paragraph 3 of the Order is not applicable to the Company.
- (ii) The inventories have been physically verified during the year by the management. In our opinion, the frequency of physical verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, 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. Therefore, requirements of clause (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order is not applicable to the Company.
- (iv) During the year the Company has not granted any loans or made any investments or provided any guarantees or securities covered under section 185 and section 186 of the Act. Therefore, question of ensuring compliance with section 185 and 186 of the Act does not arise.
- (v) In our opinion and according to the explanations given to us, the Company has not accepted any deposits which are covered under section 73 to 76. Therefore, question of reporting compliance with directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder does not arise. We are informed that no Order relating to the Company has been passed by the Company law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the services of the Company. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and as per explanations given to us and on the basis of our examination of the records of the Company in respect of amounts deducted / accrued in the books of accounts, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, tax deduction at source, income tax, sales tax, service tax, goods and service tax, value added tax, cess and any other material statutory dues as applicable to the Company during the year with the appropriate authorities. As at 31st March 2018, there are no such undisputable dues payable for a period of more than six months from the date they became payable.

(b) According to the records of the Company and information and explanations given to us, there are no dues in respect of provident fund, employees' state insurance, tax deduction at source, income tax, sales tax, service tax, goods and service tax, value added tax, cess and any other material statutory dues which have not been deposited with appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a bank and financial institution. The Company does not have any dues in respect of debenture holders or government.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

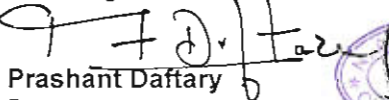
Independent Auditor's report (continued)

- (ix) During the year, the Company did not raise any money by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of the clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- (x) During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of material fraud by the Company or on the Company by its employees / officers, nor have been informed of any such case by the management.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable Ind AS - Refer Note 36 to the Ind AS financial statement.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and on the basis of our examination of records, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence compliance with Section 192 of the Act does not arise.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W / W100149


Prashant Daffary

Partner

Membership No. 117080



Place: New Delhi

Date: 1st May 2018

Independent Auditor's report (continued)

Annexure B to the Independent Auditor's Report for the year ended 31st March 2018

[Referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date]

Report on the Internal Financial Controls under section 143(3)(i) of the Act

We have audited the internal financial controls over financial reporting of **Indiannica Learning Private Limited** ("the Company"), as of 31st March 2018, 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls over Financial Reporting

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



Independent Auditor's report (continued)

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's registration number: 116560W / W100149

Prashant Daftary

Partner

Membership number: 117080

Place: New Delhi

Date: 1st May 2018

Indiannica Learning Private Limited
(Formerly known as Encyclopaedia Britannica (India) Private Limited)
CIN: U22110DL1998PTC094399
Balance Sheet as at March 31, 2018
(All amounts are in thousands of Indian Rupees; except per share data and unless stated otherwise)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	3	21,068	29,014
Intangible assets	4	290,787	340,335
Intangible Assets under Development		2,085	-
Financial assets			
Security deposits	5	4,201	4,456
Bank deposits	5	275	264
Deferred tax assets (net)	6	11,327	24,706
Other non current assets	7	-	19
		<u>329,743</u>	<u>398,794</u>
Current assets			
Inventories	8	149,927	121,016
Financial assets			
Trade receivables	9	631,931	673,050
Cash and cash equivalents	10	8,025	14,866
Other financial assets	5	-	-
Other current assets	11	17,644	15,432
		<u>807,527</u>	<u>824,364</u>
Total assets		<u><u>1,137,270</u></u>	<u><u>1,223,158</u></u>
Equity and liabilities			
Equity			
Equity share capital	12	493,511	493,511
Other equity			
Share Premium		210,606	210,606
Retained earnings		(321,379)	(128,729)
Total equity		<u>382,737</u>	<u>575,387</u>
Non-current liabilities			
Financial liabilities			
Borrowings	13	-	3,649
Provisions	14	9,126	13,327
		<u>9,126</u>	<u>16,976</u>
Current liabilities			
Financial liabilities			
Trade payables	15	252,161	249,581
Borrowings	16	150,000	170,000
Other financial liabilities	17	185,171	44,700
Short term provisions	14	129,986	148,323
Deferred Revenue	18	7,293	3,131
Other current liabilities	19	20,795	15,060
		<u>745,407</u>	<u>630,795</u>
Total liabilities		<u>754,533</u>	<u>647,771</u>
Total equity and liabilities		<u><u>1,137,270</u></u>	<u><u>1,223,158</u></u>

Summary of significant accounting policies

2.1

Notes to financial statements

3 to 44

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

As per our report of even date

For N. A. Shah Associates LLP

ICAI Firm Registration No. 116560W / W100149

Chartered Accountants

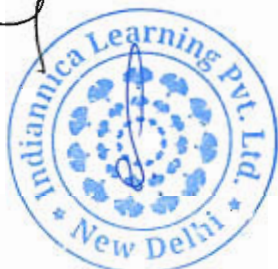
Prashant Daffary

Partner

Membership no.: 117080

Place: New Delhi

Date: May 01, 2018



For and on behalf of the board of directors of

Indiannica Learning Private Limited

(Formerly known as Encyclopaedia Britannica (India)
Private Limited)

Anil Dugarshi Gala

Director

DIN: 00092952

Meera Sawhney

Company Secretary

Mem. No. A48522

Sumit Gupta

Managing director

DIN: 00039596

Indiannica Learning Private Limited

(Formerly known as Encyclopaedia Britannica (India) Private Limited)

CIN: U22110DL1998PTC094399

Statement of Profit and Loss for the year ended

(All amounts are in thousands of Indian Rupees; except per share data and unless stated otherwise)

Particulars	Notes	March 31, 2018	March 31, 2017
Income			
Revenue from operations	20	573,964	711,476
Other income	21	2,224	3,134
Total income		576,188	714,610
Expenses			
Cost of raw materials & components consumed	22	234,311	187,181
Purchase of traded goods and services		5,655	24,208
Decrease/ (Increase) in inventories of finished goods	23	(29,908)	3,984
Publication expenses	24	87,638	92,606
Employee benefits expense	25	190,223	222,823
Finance costs	26	19,925	20,665
Depreciation and amortisation expense	27	54,890	18,752
Other expenses	28	201,642	202,628
Total expenses		764,375	772,847
(Loss) before exceptional items and tax		(188,188)	(58,237)
Exceptional items (refer note 41)	41	(7,185)	87,560
(Loss) before tax		(181,003)	(145,797)
Income tax expense			
Current tax	29	-	-
Adjustment of tax relating to earlier years	29	-	189
Deferred tax	29	12,896	6,828
		12,896	7,017
(Loss) for the year		(193,899)	(152,814)
Other comprehensive income (OCI)			
Items that will not be reclassified to the statement of profit and loss			
Re-measurement (loss)/gain on defined benefit plan		1,731	(1,171)
Income tax expense		(482)	-
Total other comprehensive income for the year, net of tax		1,249	(1,171)
Total comprehensive (loss) for the year		(192,650)	(153,985)
Earnings per equity share			
Basic and diluted (in INR)			
Computed on the basis of total Loss before OCI for the year	30	(3.93)	(6.07)

Summary of significant accounting policies

2.1

Notes to financial statements

3 to 44

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

As per our report of even date

For N. A. Shah Associates LLP

ICAI Firm Registration No. 116560W / W100149

Chartered Accountants

Prashant Daftary

Partner

Membership no.: 117080

Place: New Delhi


Date: May 01, 2018



For and on behalf of the board of directors of

Indiannica Learning Private Limited

(Formerly known as Encyclopaedia Britannica (India) Private Limited)



Anil Dungarshi Gala

Director

DIN: 00092952



Meera Sawhney

Company Secretary

Mem. No. A48522



Sumit Gupta

Managing director

DIN: 00039596

Statement of changes in equity for the year ended March 31, 2018
(All amounts are in thousands of dollars except per share data)

A.	Equity share capital

No of shares	Amount
17,001,063	170,011
32,350,000	323,500
49,351,063	493,511
49,351,063	493,511

B. Other equity

Particulars	Reserves and surplus		Other Comprehensive Income	Total other equity
	Share Premium	Retained earnings		
			Remeasurement on defined benefit plan	
As at April 01, 2016	-	27,893	63	27,956
(Loss) for the year	-	(152,814)	-	(152,814)
Remeasurement on defined benefit plan	-	-	(1,171)	(1,171)
Total comprehensive income	-	(124,921)	(1,108)	(126,029)
As at April 01, 2016	35,916	-	-	35,916
Premium on issue of shares	174,690	-	-	174,690
Transaction costs of increase in authorised share capital	-	(2,700)	-	(2,700)
As at March 31, 2017	210,606	(127,621)	(1,108)	81,877
(Loss) for the year	-	(193,899)	-	(193,899)
Remeasurement on defined benefit plan	-	-	1,249	1,249
As at March 31, 2018	210,606	(321,520)	141	(110,773)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

As per our report of even date

For N. A. Shah Associates LLP
ICAI Firm Registration No.: 162302W/V/100149
Chartered Accountants

For and on behalf of the board of directors of
Indiana Learning Private Limited
(Formerly known as *Encyclopaedia Britannica (India)*)

Prashant Daftary

Prashant
Partner
Member

Membership no.: 117085

Place: New Delhi

Date: May 01, 2018

Meera Sawhney
Company Secretary
Mem. No. A48522

mean


Sumit Gupta
Managing director
DIN: 00039596

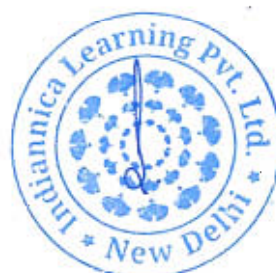


Indiannica Learning Private Limited
(Formerly known as Encyclopaedia Britannica (India) Private Limited)
CIN: U22110DL1998PTC094399

Cash Flow Statement for the year ended March 31, 2018

(All amounts are in thousands of Indian Rupees; except per share data and unless stated otherwise)

Particulars	March 31, 2018	March 31, 2017
A. Cash flow from operating activities		
(Loss)/Profit before tax	(181,003)	(145,797)
Adjustments to reconcile (loss)/ profit before tax to net cash flows		
Depreciation and amortisation expense	54,890	18,752
Fixed assets disposed off	136	-
Finance income	(22)	(745)
Provision for doubtful debts	12,366	4,879
Inventory written off	16,292	-
Unrealised foreign exchange loss (net)	217	3,036
Finance costs	19,798	19,119
Operating profit before changes in assets and liabilities	(77,327)	(100,757)
Working Capital adjustments:		
(Increase) in trade receivables	30,406.90	(62,280)
Decrease/(Increase) in inventories	(45,203)	4,482
Decrease/(Increase) in other financial assets	267	3,485
Decrease/(Increase) in other non-financial assets	(461)	1,556
Increase/ (Decrease) in provisions	(22,539)	48,970
(Decrease)/Increase in trade payable	2,440	(66,734)
(Decrease)/ Increase in current non-financial liabilities	9,898	(3,821)
Cash (used in) operations	(102,519)	(175,100)
Income tax paid (net of refund)	(1,726)	195
Net cash flow (used in) operating activities (A)	(104,244)	(174,904)
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(3,054)	(27,712)
Capital Work in Progress	-	7,434
Purchase of intangible assets	(65)	(351,840)
Intangible assets under development	(2,085)	274
Proceeds from sale of Property, plant and equipment	5,585	79
Interest received	-	745
Net cash flow (used in) / invested in investing activities (B)	381	(371,020)
C. Cash flow from financing activities		
Repayment of term loans	(4,744)	(147,887)
Loan taken from holding company	150,000	170,000
Loan repaid to holding company	(170,000)	-
Proceeds from issuance of equity share capital	-	498,190
Transaction costs on increase of authorised share capital	-	(2,700)
Interest Paid	(19,798)	(19,119)
Net cash flow from financing activities (C)	(44,542)	498,484
Net increase in cash and cash equivalents (A + B + C)	(148,405)	(47,440)
Cash and cash equivalents at the beginning of the year	(28,741)	18,699
Cash and cash equivalents at the end of the year (refer note 10)	(177,146)	(28,741)



Reconciliation of cash and cash equivalent as per Cash Flow Statement

Particulars

Cash & cash Equivalent (Note 10)	8,025	14,866
Bank Overdraft (Note 16)	(185,171)	(43,606)
Balance as per Cash Flow Statement	(177,146)	(28,740)

Changes in financing liabilities arising from cash and non-cash changes (Refer note 44)

Summary of significant accounting policies	2.1
Notes to financial statements	3 to 44

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

As per our report of even date

For N. A. Shah Associates LLP
ICAI Firm Registration No. 116560W / W100149
Chartered Accountants


Prashant Daftary
Partner

Membership no.: 117080

Place: New Delhi
Date: May 01, 2018

For and on behalf of the board of directors of
Indiannica Learning Private Limited
(Formerly known as Encyclopaedia Britannica (India) Private Limited)


Anil Dungarshi Gala
Director
DIN: 00092952


Sumit Gupta
Managing director
DIN: 00039596


Meera Sawhney
Company Secretary
Mem. No. A48522



1 Corporate Information

Indiannica Learning Private Limited (formerly known as Encyclopaedia Britannica (India) Private Limited) is a private limited company domiciled in India (CIN number U22110DL1998PTC094399); and is a subsidiary of Navneet Education Limited ('the Holding Company' and 'the Ultimate Holding Company'). The Company's operations comprises of publishing and sale of educational books with products ranging from school books, reference books, technical & professional books.

The financial statements were authorised for issue by the Board of Directors on 1st May 2018.

2 Basis of preparation

a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs. The Company has consistently applied the accounting policies used in the preparation for all periods presented in these financial statements.

The financial statements have been prepared on historical cost basis, except for the certain financial instruments, obligations under defined benefit plans which have been measured at fair value as required under relevant Ind AS.

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013, for a company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

b) Functional and presentation of currency

The financial statements are prepared in Indian Rupees which is also the Company's functional currency. All amounts are rounded to the nearest thousands.

2.1 Summary of significant accounting policies

(a) Property, plant and equipment

Property, plant and equipment including capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per Indian GAAP and used it as its deemed cost at the date of transition.

Subsequent expenditure related to an item of Property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on assets is calculated on a straight-line basis as per the useful lives of the assets prescribed under the Schedule II (under section 123) to the Companies Act, 2013, except:

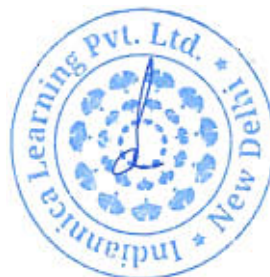
a) in respect of servers and networks where the Company has estimated useful life of 3 years being lower than the useful life of 6 years as prescribed under Part C of Schedule II of the Companies Act, 2013, based on its internal technical assessment.

b) Leasehold improvements are depreciated over the period of lease term or 10 years, whichever is less.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each balance sheet date and in case of any changes, effect of the same is given prospectively.

(b) Intangible assets

Intangible assets are recognized when the entity controls the asset, it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.



At initial recognition, intangible assets are recognised at cost. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with infinite life are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

The Company has assessed the estimated useful lives of different categories of intangible assets as follows:

- a) License is capitalized at the amounts paid to acquire the respective license for use and is amortised over the period of license.
- b) Software are amortized over the period of 2.5 years (SLM)

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

(c) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognized in Statement of Profit and Loss as a component of depreciation and amortisation expense.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit and loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

(d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

(e) Leases

Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(f) Cash and cash equivalents

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



(g) Financial instruments

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

Financial assets

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

Subsequent measurement

Debt instruments at amortised cost

Debt instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments, derivatives and equity instruments at fair value through Profit & Loss (FVTPL)

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The category applies to the Company's trade and other receivables, cash and cash equivalents, security and other deposits.

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

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade and other receivables.

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

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, etc.

Subsequent measurement

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



Financial liabilities at amortised cost

This category includes trade and other payables etc. After initial recognition, such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

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

Re-classification of financial assets

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

Offsetting of financial instruments

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

(h) Inventories

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

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

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

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

(i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognised net of returns, trade discount, cash discount and other rebates when all the significant risks and rewards of ownership of the goods have been passed to the buyer.

Sale of digital content / right to use content

Revenue from subscription of digital content / right to use content is accounted over the subscription / agreement period in accordance with the terms of the arrangement.

Sale of services

Revenue from sale of services is recognised as per the terms of the agreement.

Interest

Interest income is recognised as it accrues in statement of profit and loss, using the effective interest rate (EIR) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.



(j) Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in the other comprehensive income or directly in equity, where the related income tax is also recognised accordingly.

Current income tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognized in the balance sheet as current income tax assets / liabilities.

Any interest / penalties, related to accrued liabilities for potential tax assessments are not included in income tax charge or (credit), but are rather recognised within finance costs.

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

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

(k) Borrowing costs

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

(l) Employee benefits

The Company's employee benefits mainly include salaries, allowances bonuses, defined contribution plans, defined benefit plans and compensated absences.

The employee benefits are recognised in the year in which the associated services are rendered by the employees.

a) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no legal or constructive obligation to pay further amounts. Under the defined contribution plan, the Company provides benefit in the form of contribution to provident fund and superannuation fund in respect of certain employees at a pre-determined rate. The Company's contributions to defined contribution plans are recognized in statement of profit and loss as they fall due. The Company has no further obligations under these plans beyond its monthly contributions.

b) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit plan, the Company provides retirement benefit in the form of gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Company.

The cost of providing benefits under this plan is determined on the basis of actuarial valuation carried out at the reporting date by an independent qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of profit and loss.

The obligation towards the said benefit is recognised in the balance sheet, at the present value of the plan liabilities. The Company does not carry any plan assets. The present value is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

All expenses excluding re-measurement of actuarial gains and losses of the net defined benefit liability, in respect of defined benefit plans are recognized in the statement of profit and loss as incurred. Re-measurement, of actuarial gains and losses is recognized through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.



c) Compensated absences

Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Company provides for the liability towards compensated absences on the basis of actuarial valuation carried out as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

(m) Provisions

(i) General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

(ii) Contingent assets/ liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(n) Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

(o) Fair value measurement

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

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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

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



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.

(p) Foreign currency transactions

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

Transactions in foreign currencies are initially recorded at the spot rates prevailing at the date the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(q) Segment reporting policies

Business segment

The operating segments have been identified taking into account the nature of the products / services, nature of risks and returns, internal organization structure and internal financial reporting system. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Estimated useful lives

The costs of property, plant and equipment and intangible assets are depreciated on a straight line basis over their estimated economic useful lives. Management estimates the economic useful lives of these assets to be within 3 to 10 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation and amortization charges could be revised. The carrying amount of the Company's property, plant and equipment and intangible assets at the end of the reporting period are disclosed in notes 3 and 4 respectively, to the financial statements.

(b) Impairment of Licenses

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of future growth, discount rates etc. The company has prepared projections for next 5 years which have been used for the said calculations.

(c) Allowances for doubtful receivables

The management estimates at each reporting date the recoverability of its trade and other receivables. Allowances for doubtful receivables is estimated based on the best available facts and circumstances, including but not limited to, confirmation from the customers using the ECL approach. The allowances are re-valued and adjusted as additional information received affects the amount estimated.



(d) Defined benefit plan

The cost of defined benefit plan as well as the present value of the benefit obligations are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include determination of discount rates, future salary increase and mortality rates. Due to complexity of the valuation and the underlying assumptions, defined benefit plan obligations are highly sensitive to changes in these assumptions.

(e) Fair value of financial instruments

Where the fair value of the financial statements recorded on balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow method. The input to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

(f) Income taxes

The Company has exposure to income taxes primarily in Indian jurisdictions. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which losses can be utilized. Significant management's judgement is required to determine the amounts of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits along with future tax planning strategies.

2.3 New standard issued but not effective and hence not adopted

The following standards issued / modified by MCA become effective w.e.f. 1st April 2018.

New Ind AS issued *

Ind AS 115 – Revenue from contracts with customers

Modification to existing Ind AS *

Ind AS 12 – Income Taxes

Ind AS 21 – The effects of changes in foreign exchange rates

Ind AS 28 – Investments in associates and joint ventures

Ind AS 40 – Investment property

Ind AS 112 – Disclosure of interest in other entities

* Does not include consequential modification to other existing Ind AS due to issue of new Ind AS.

The Company is assessing the detailed potential impact of above amendments on the financial statements. Management presently is of the view that it would not have a material impact on the financial statements.



Notes to the financial statements for the year ended March 31, 2018

(All amounts are in thousands of Indian Rupees; except per share data and unless stated otherwise)

3 Property, plant and equipment

Particulars	Computers	Office equipment	Furniture and fixtures	Leasehold Improvements	Motor vehicles	Capital work in progress	Total
Cost							
As at March 31, 2016	7,022	1,621	110	-	3,762	7,434	19,948
Additions	3,518	604	2,946	17,136	3,509	-	27,712
Disposals/capitalisation of assets	(86)	-	-	-	-	(7,434)	(7,520)
Adjustments	-	-	-	-	-	-	-
As at March 31, 2017	10,453	2,225	3,056	17,136	7,271	-	40,141
Additions	2,438	523	92	-	-	-	3,054
Disposals/capitalisation of assets	(176)	(7)	-	-	(7,271)	-	(7,448)
Adjustments (Refer note 1 below)	(1,003)	(638)	-	-	-	-	(1,646)
As at March 31, 2018	11,713	2,104	3,148	17,136	-	-	34,100
Accumulated depreciation							
As at March 31, 2016	4,141	772	29	-	1,062	-	6,003
Charge for the year	1,933	393	263	1,946	596	-	5,131
Disposals	(7)	-	-	-	-	-	(7)
Adjustments	-	-	-	-	-	-	-
As at March 31, 2017	5,067	1,164	292	1,946	1,658	-	11,127
Charge for the year	2,330	420	310	2,127	91	-	5,279
Disposals	-	-	-	-	(1,749)	-	(1,749)
Adjustments (Refer note 1 below)	(1,003)	(622)	-	-	-	-	(1,625)
As at March 31, 2018	7,394	962	602	4,074	-	-	13,032
Net book value							
As at March 31, 2017	4,386	1,061	2,764	15,190	5,613	-	29,014
As at March 31, 2018	4,319	1,141	2,546	13,062	-	-	21,068

Other adjustments includes:

- Assets discarded during the year Gross Block Value of Rs. 1,645 thousands (Previous Year : Nil) and accumulated depreciation of Rs. 1,625 thousands (Previous Year: Nil) on account of obsolescence.
- For details of charge on above assets, refer note 17 of the financial statement.



Indiannica Learning Private Limited
(Formerly known as Encyclopaedia Britannica (India) Private Limited)
CIN: U22110DL1998PTC094399
Notes to the financial statements for the year ended March 31, 2018
(All amounts are in thousands of Indian Rupees; except per share data and unless stated otherwise)
4 Intangible assets

Particulars	Software	Licenses	Total
Cost or valuation			
March 31, 2016	6,558	-	6,558
Additions	1,840	350,000	351,840
March 31, 2017	8,398	350,000	358,398
Additions	65	-	65
Disposal	(5,842)	-	(5,842)
March 31, 2018	2,620	350,000	352,620
Accumulated Amortisation			
March 31, 2016	4,442	-	4,442
Charge for the year	1,598	12,023	13,621
Adjustments	-	-	-
March 31, 2017	6,041	12,023	18,063
Charge for the year	1,386	48,226	49,611
Disposal	(5,842)	-	(5,842)
March 31, 2018	1,584	60,249	61,833
Net book value			
March 31, 2017	2,357	337,977	340,335
March 31, 2018	1,036	289,751	290,787

- 4.1 Impairment test for Licenses has been carried out by the management based on the projections for next five years as approved by the Board. Useful life of this License is greater than period for which projections are made. The net present value of the future earnings based on the projections is significantly higher than the carrying value of the license. Some of the assumptions based on which projections are prepared based on market estimates and management judgements which have been relied upon by the auditors.

- 4.2 Details of remaining amortisation period and carrying value of intangibles are as under:

Description	Carrying amount as at		Remaining useful life as at [months]	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Software	1,036	2,357	2 to 18	5 to 29
Licenses	289,751	337,978	72	84

5 Financial assets
Financial assets at amortised cost
(Unsecured, considered good)

Security deposits

	March 31, 2018	March 31, 2017
	4,201	4,456
	4,201	4,456
Non-current	4,201	4,456
Current	-	-
	4,201	4,456

Breakup of financial assets carried at amortised cost

 Trade receivables (refer note 9)
 Cash and cash equivalents (refer note 10)
 Margin money deposits (refer note 10)
 Security deposits

	March 31, 2018	March 31, 2017
	631,931	673,050
	8,025	14,866
	275	264
	4,201	4,456
	644,432	692,636

(This space has been left blank intentionally)


Notes to the financial statements for the year ended March 31, 2018

(All amounts are in thousands of Indian Rupees; except per share data and unless stated otherwise)

6 Deferred tax relates to the following

	Balance sheet		Statement of profit and loss	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Accelerated depreciation for tax purposes	(19,701)	(14,654)	(5,047)	(15,609)
Provision for sales returns	15,603	17,717	(2,115)	(355)
Provision for employee benefits	2,974	5,012	(2,038)	2,758
Provision for doubtful receivables	8,913	6,646	2,267	1,099
Provision for bonus	3,538	9,599	(6,061)	4,856
Others	-	386	(386)	424
Deferred tax (expense)/income			(13,378)	(6,828)
Net deferred tax assets	11,327	24,706		
Reconciliation of deferred tax assets (net):				
Opening balance as of April 01, 2016				31,534
Tax (expense) during the year recognised in profit or loss			-	(6,828)
Closing balance as at March 31, 2017			-	24,706
Opening balance as of April 01, 2017			24,706	-
Tax (expense) during the year recognised in profit or loss			(12,896)	-
Tax (expense) during the year recognised in other comprehensive income			(482)	-
Closing balance as at March 31, 2018			11,327	-

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(This space has been left blank intentionally)



Indiannica Learning Private Limited
(Formerly known as Encyclopaedia Britannica (India) Private Limited)
CIN: U22110DL1998PTC094399
Notes to the financial statements for the year ended March 31, 2018
(All amounts are in thousands of Indian Rupees: except per share data and unless stated otherwise)

Particulars	March 31, 2018	March 31, 2017
7 Other non current assets (Considered good)		
Capital Advances	-	-
Taxes recoverable	-	19
	<u>-</u>	<u>19</u>
8 Inventories (valued at lower of cost or net realizable value)		
Raw materials (Refer note 8.1 below)	463	1,460
Finished goods		
Manufactured goods	140,287	108,507
Traded goods	9,177	11,049
Total	<u>149,927</u>	<u>121,016</u>

8.1 This represents goods held by third party.

8.2 During the year, the Company has written off Rs.16,292 thousands (Previous Year : Rs. 3,682 thousands) & charged to Statement of Profit & Loss.

9 Trade receivables

Considered good	631,931	673,050
Considered doubtful	32,040	20,102
	<u>663,970</u>	<u>693,152</u>
Provision for doubtful receivables		
Considered doubtful	(32,040)	(20,102)
	<u>631,931</u>	<u>673,050</u>

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on credit terms of 90 to 120 days.

10 Cash and cash equivalents

Balances with banks		
On current accounts	193,170	58,382
Less: Bank Overdraft (Refer Note 17)	(185,171)	(43,606)
(A)	<u>7,999</u>	<u>14,776</u>
Other bank balances		
Margin money deposits (Refer note 10.1 below)	275	264
Amount disclosed under Financial Assets (Refer note 5)	(275)	(264)
(B)	<u>-</u>	<u>-</u>
Cash On hand	26	90
(C)	<u>26</u>	<u>90</u>
Total (A + B+C)	<u>8,025</u>	<u>14,866</u>

10.1 Margin money deposit with a carrying amount of Rs. 235 thousands (March 31, 2017: Rs. 235 thousands) is subject to first charge to secure the company's bank guarantee.

11 Other current assets (Considered good)

Prepayments	3,195	2,540
Taxes recoverable	6,498	4,747
Other advances	7,951	7,798
Fair valuation adjustment-security deposits	-	347
	<u>17,644</u>	<u>15,432</u>



12 Share capital
Authorized share capital

As at March 31, 2016
Increase during the year
As at March 31, 2017
Increase during the year
As at March 31, 2018

Equity shares	
No. of shares	Amount
20,700,000	207,000
30,000,000	300,000
50,700,000	507,000
-	-
50,700,000	507,000

Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholders.

Issued share capital

Equity share of Rs. 10 each issued, subscribed and fully paid up

As at March 31, 2016
Increase during the year
As at March 31, 2017
Increase during the year
As at March 31, 2018

No. of shares	Amount
17,001,063	170,011
32,350,000	323,500
49,351,063	493,511
-	-
49,351,063	493,511

a) Shares held by holding/ ultimate holding company

Out of equity shares issued by the Company, shares held by its holding company and ultimate holding company are as below:

Equity Shares

Navneet Education Limited, the holding company & ultimate holding company (w.e.f. December 30,2016)

49,351,048 (March 31, 2017: 49,351,048) equity shares of Rs.10 each (Also refer note (c) below)

March 31, 2018	March 31, 2017
493,510	493,510

b) Details of shareholders (as per the register of shareholders) holding more than 5% of shares in the Company:

Equity shares of Rs. 10 each fully paid up

As at March 31, 2017

Navneet Education Limited, the holding company

49,351,048 99.99%

As at March 31, 2018

Navneet Education Limited, the holding company

49,351,048 99.99%

As per records of the company, including its register of shareholders/ members, the above shareholding represents legal ownerships of shares.

c) Transfer of shares

During the previous year Encyclopaedia Britannica Inc. USA, which was the holding company and Encyclopaedia Britannica Holding SA, which was the ultimate holding company had sold its holdings in Encyclopaedia Britannica (India) Private Limited to Navneet Education Limited and Mr. Gnanesh Gala vide share purchase agreement dated December 29, 2016.

d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash: to erstwhile holding company	-	-	11,623,199	-	-

(This space has been left blank intentionally)



Particulars	March 31, 2018	March 31, 2017
13 Borrowings		
Non-current borrowings		
Vehicle Loan (Secured)		
Indian rupee loan from NBFC (Refer note 13.1 below)	-	587
Indian rupee loan from bank (Refer note 13.2 below)	-	3,067
	-	3,649
Current borrowings		
Current maturity of vehicle loan from NBFC (secured)	-	709
Current maturity of vehicle loan from bank (secured)	-	385
Current maturity of term loan from NBFC (secured)	-	-
Current maturity of short term loan from related party (unsecured) (Refer note 13.3 below)	150,000	170,000
Less: Amount clubbed under 'borrowings under current financial liabilities' (Refer note 16)	(150,000)	(171,094)
	-	-
	-	3,649

- 13.1 Vehicle loan (Secured) amounting to Rs. 3,150 thousands was taken during the financial year 2013-14 and carries interest @ 11.31%. The loan is repayable in 60 monthly installments of Rs.68 thousands each including interest. Number of installments due as at March 31, 2018 is NIL (March 31, 2017: 21).
- 13.2 Vehicle loan (Secured) amounting to Rs. 3,544 thousands was taken during the financial year 2016-17 and carries interest @ 9.25%. The loan is repayable in 84 monthly installments of Rs. 57 thousands each including interest. Number of installments due as at March 31, 2018 is NIL (March 31, 2017: 81).
- 13.3 Intercompany loan (unsecured) amounting to Rs. 150,000 thousands was taken during the financial year 2017-18 from the holding company (Navneet Education Limited) and carries interest @ 9%. The loan was for period of 3 months, and then extended for terms of 6 months each, two times.

14 Provisions

Provision for employee benefits

Gratuity (Refer note 31)	1,550	3,704
Leave encashment	9,141	11,567
	10,691	15,271

Gratuity

Current	579	752
Non-current	971	2,952
	1,550	3,704

Leave encashment

Current	986	1,191
Non-current	8,154	10,375
	9,141	11,566

Other provisions

	Performance Bonus	Sales Return	Total
At April 01, 2017	38,111	108,269	146,380
Add: additions during the year	7,106	7,436	14,542
Less: amount used / adjustment during the year	32,501	-	32,501
At March 31, 2018	12,716	115,705	128,421
At April 01, 2016	14,345	102,747	117,092
Add: additions during the year	37,310	5,522	42,833
Less: amount used / adjustment during the year	13,545	-	13,545
At March 31, 2017	38,111	108,269	146,380
Current	12,716	115,705	128,421
Non Current	-	-	-

Provision for Sales Return

A provision for Sales Return is created based on the past trend of returns.

Provision for Performance Bonus

The Company has made provisions for performance bonus which are expected to be paid in the next year.

Employee benefits

Refer note 30 for details of employee benefits provided by the Company.



Particulars	March 31, 2018	March 31, 2017
15 Trade payables		
- Outstanding dues to Micro, Small & Medium Enterprises	28,213	-
- Outstanding dues to Others	223,948	249,581
	<u>252,161</u>	<u>249,581</u>

15.1 Trade payables are non-interest bearing and are normally settled on 0-90 day credit terms.

15.2 For explanations on the Company's credit risk management processes refer note 38.

15.3 For disclosures required under Micro, Small and Medium Enterprises Development (MSME) Act, 2006, refer note 32.

(This space has been left blank intentionally)

16 Borrowings

Current borrowings (Unsecured)		
Indian rupee loan from holding company	150,000	170,000
	<u>150,000</u>	<u>170,000</u>

17 Other financial liabilities

Other financial liabilities at amortised cost		
Bank overdraft (Refer note 17.2 & 17.3 below)	185,171	43,606
Indian rupee loan from NBFC (Vehicle Loan)	-	709
Indian rupee loan from bank (Vehicle Loan)	-	385
	<u>185,171</u>	<u>44,700</u>

17.1 Breakup of financial liabilities carried at amortised cost

Long term maturity of Indian rupee loan from NBFC (Refer note 13)	-	587
Current maturity of Indian rupee loan from NBFC (Refer note 13)	-	709
Long term maturity of vehicle loan from Bank (Refer note 13)	-	3,062
Current maturity of vehicle loan from bank (secured)	-	385
Bank overdraft (secured)	185,171	43,606
Trade payables (Refer note 15)	252,161	249,581
	<u>437,332</u>	<u>297,929</u>

17.2 The average rate of interest for the above mentioned overdraft facility during the year is 8.50% per annum.

17.3 Bank Overdraft is secured against Pari Passu charge on current & fixed assets (both present and future) of the Company, along with Corporate Guarantee for Rs. 30,000 thousands (Previous Year: 20,000 thousands) from holding company.

18 Deferred revenue

At April 01, 2017	3,131	-
Deferred during the year	11,157	-
Released to the statement of profit and loss	6,995	-
At March 31, 2018	<u>7,293</u>	<u>-</u>
At April 01, 2016	-	3,375
Deferred during the year	-	17,401
Released to the statement of profit and loss	-	17,645
At March 31, 2017	<u>-</u>	<u>3,131</u>
Current	4,764	3,131
Non-Current	2,529	-

19 Other current liabilities

Statutory dues payable	20,795	15,060
	<u>20,795</u>	<u>15,060</u>

Statutory dues represent liability on account of various taxes and fees payable to government authorities.



Indiannica Learning Private Limited

(Formerly known as Encyclopaedia Britannica (India) Private Limited)

CIN: U22110DL1998PTC094399

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in thousands of Indian Rupees; except per share data and unless stated otherwise)

Particulars	March 31, 2018	March 31, 2017
20 Revenue from operations		
Sale of products		
Finished goods	765,703	878,757
Traded Goods	10,174	32,785
	<u>775,877</u>	<u>911,542</u>
Less: Sales discount and incentives	<u>(215,992)</u>	<u>(217,516)</u>
	<u>559,885</u>	<u>694,026</u>
Sale of services		
Other operating Revenue	14,079	17,450
Revenue from operations (net of discounts and incentives)	<u>573,964</u>	<u>711,476</u>
Details of products sold		
Finished goods sold		
Books	765,703	873,157
CD Sales	-	5,600
	<u>765,703</u>	<u>878,757</u>
Traded goods sold		
Books	10,174	25,519
CD Sales	-	7,266
	<u>10,174</u>	<u>32,785</u>
	<u>775,877</u>	<u>911,542</u>
21 Other income		
Finance income		
Interest on deposits with bank	22	745
Unwinding of discount on financial instruments	371	303
	<u>393</u>	<u>1,048</u>
Miscellaneous income	1,831	2,086
	<u>2,224</u>	<u>3,134</u>
22 Cost of raw materials and components consumed		
Raw material consumed		
Inventory at the beginning of the year	1,460	1,959
Add : Purchases	233,314	186,682
	<u>234,774</u>	<u>188,642</u>
Less: inventory at the end of the year	<u>463</u>	<u>1,460</u>
Cost of raw material consumed	<u>234,311</u>	<u>187,181</u>
Details of raw material purchased		
Paper		
Books	233,314	186,682
	<u>233,314</u>	<u>186,682</u>



Indiannica Learning Private Limited

(Formerly known as Encyclopaedia Britannica (India) Private Limited)

CIN: U22110DL1998PTC094399

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in thousands of Indian Rupees; except per share data and unless stated otherwise)

Particulars	March 31, 2018	March 31, 2017
23 Decrease/ (Increase) in inventories of finished goods and traded goods		
Inventories at the end of the year		
Finished goods	149,464	119,556
Inventories at the beginning of the year		
Finished goods	119,556	123,540
Decrease/ (increase) in inventories	-29,908	3,984
Details of Inventory:		
Finished Goods		
Manufactured goods		
Books	132,032	103,673
CDs	8,255	4,834
	140,287	108,507
Traded Goods		
Books	7,328	9,658
CDs	1,849	1,391
	9,177	11,049
24 Publication expenses		
Royalty	58,729	69,468
Printing charges	-	209
Other publication expenses	28,909	22,929
	87,638	92,606
25 Employee benefits expense		
Salaries, allowances and bonus	170,829	203,328
Contribution to provident and other funds	9,619	9,773
Gratuity expense (Refer note 31)	2,935	3,418
Staff welfare expenses	6,839	6,304
	190,223	222,823
26 Finance costs		
Interest		
- on borrowings	19,797	19,074
- on tax	1	45
Ancillary borrowing costs	-	575
Other finance charges	127	971
	19,925	20,665
27 Depreciation and amortisation expense		
Depreciation of tangible assets (Refer note 3)	5,279	5,131
Amortisation of intangible assets (Refer note 4)	49,611	13,621
	54,890	18,752



Indiannica Learning Private Limited
(Formerly known as Encyclopaedia Britannica (India) Private Limited)
CIN: U22110DL1998PTC094399
Notes to the financial statements for the year ended March 31, 2018
(All amounts are in thousands of Indian Rupees; except per share data and unless stated otherwise)

Particulars	March 31, 2018	March 31, 2017
28 Other expenses		
Rent	17,836	19,408
Insurance	664	2,418
Repairs and maintenance		
Computers	5,935	9,127
Others	6,504	6,325
Electricity and water	1,643	1,858
Business promotion	16,669	12,143
Travelling and conveyance	38,007	44,782
Communication costs	6,952	8,734
Donation	-	765
Exchange difference (net)	301	2,916
Advertisement and publicity	7,509	8,427
Printing and stationery	2,119	1,124
Legal and professional fees	4,967	9,399
Payment to auditor (Refer note 28.1 below)	987	3,073
Bad debts written off	429	-
Less: bad debts written off against opening provision	(429)	-
Provision for doubtful debts	12,366	4,879
Fixed assets disposed off	136	-
Books and periodicals	157	120
Logistics expenses	72,518	50,177
Management fees	-	6,174
Packing cost	3,536	6,092
Rates & taxes	268	1,415
Recruitment expenses	1,784	3,096
Miscellaneous expenses	783	176
	201,642	202,628

28.1 Payment to auditors (Including service tax / GST):

As auditors

Statutory audit fee	708	2,420
Tax audit fee	118	248
Reimbursement of expenses	161	405
	987	3,073

29 Income tax

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

a) Statement of profit and loss

Current tax

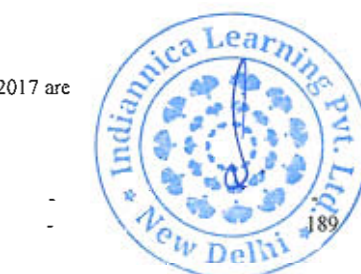
Current tax charge

Adjustment in respect of current tax of previous years

Deferred tax

Relating to origination and reversal of temporary differences

Total tax expenses as per statement of profit and loss



	12,896	6,828
	12,896	7,017

b) Reconciliation of income tax expense and the accounting profit multiplied by statutory tax rate:

Profit before tax	(181,003)	(145,797)
Enacted tax rates in India	33.06%	33.06%
Computed expected tax expense	(59,845)	(48,205)
Unrecognised Tax Loss	69,985	51,062
Related to Tax rate change for next financial year	2,369	-
Adjustment in respect of current tax of previous years	-	189
Others	387	3,971
At the effective income tax rate of 33.06% (March 31, 2017: 33.06%)	12,896	7,017
Income tax expense reported in the statement of profit and loss	12,896	7,017



Indiannica Learning Private Limited*(Formerly known as Encyclopaedia Britannica (India) Private Limited)*

CIN: U22110DL1998PTC094399

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in thousands of Indian Rupees; except per share data and unless stated otherwise)

Particulars	March 31, 2018	March 31, 2017
-------------	----------------	----------------

c) Effective tax rate for the Company will be 27.82% and hence Deferred Tax Asset is calculated considering this rate.

d) Details of tax losses:

The Company is having carry forward depreciation losses as at 31st March 2018 of Rs. 1,47,103 thousands (Previous year: Rs. 66,025 thousands) which doesn't have any expiry date and carry forward business losses as on 31st March 2018 is Rs.2,55,602 thousands (Previous year: Rs. 1,23,335 thousands) which will be expired in next 6 years (Previous year : 7 years). Considering losses incurred during last two years, these assets are not recognised in financial statements.

30 Earnings per share (EPS)

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Weighted average number of equity shares at the end of the year for calculation of basic and diluted EPS	49,351,063	25,155,036
Net (Loss) before Other Comprehensive Income available for computing basic and diluted EPS	(193,899)	(152,814)
Basic and diluted earnings per equity share	(3.93)	(6.07)

(This space has been left blank intentionally)



31 Defined benefit plan

	March 31, 2018	March 31, 2017
Provision for gratuity	1,550	3,704
Total	1,550	3,704

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn basic salary for each completed year of service or part thereof in excess of six months. The scheme is funded with Life Insurance Corporation.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet and changes in the projected benefit obligation.

Net benefit expense recognised in the statement profit and loss	March 31, 2018	March 31, 2017
Current service cost	2,663	3,288
Interest cost on benefit obligation (Net)	272	130
Fund management charges	-	-
	2,935	3,418

Net benefit expense recognised in the other comprehensive income	March 31, 2018	March 31, 2017
Re-measurement (loss)/gain on defined benefit plan	1,731	(1,171)
	1,731	(1,171)

Balance sheet	March 31, 2018	March 31, 2017
Benefit liability		
Present value of defined benefit obligation	(9,257)	(12,346)
Fair value of plan assets	7,707	8,642
Plan liability	(1,550)	(3,704)

Changes in the present value of the defined benefit obligation (DBO)	March 31, 2018	March 31, 2017
Opening defined benefit obligation	12,345	7,198
Interest cost	907	576
Current service cost	2,663	3,288
Benefits paid	(4,987)	-
Actuarial losses on obligation	(1,672)	1,283
Closing defined benefit obligation	9,257	12,345

Changes in fair value of plan assets	March 31, 2018	March 31, 2017
Opening fair value of plan assets	8,642	5,569
Expected return	694	445
Contributions by employer	3,358	2,515
Benefit paid	(4,987)	-
Actuarial gain	-	113
Closing fair value of plan assets	7,707	8,642

The Company expects to contribute Rs. 3,644 thousands to gratuity in the next year.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2018	March 31, 2017
Life Insurance Corporation	100%	100%



Notes to the financial statements for the year ended March 31, 2018

(All amounts are in thousands of Indian Rupees: except per share data and unless stated otherwise)

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

	March 31, 2018	March 31, 2017
Discount rate	7.80%	7.35%
Salary escalation	9.00%	9.00%
Employee turnover		
Age: up to 30 years	20.00%	20.00%
From 31 to 44 years	15.00%	15.00%
Above 44 years	10.00%	10.00%
Normal retirement age(Years)	65	65
Average remaining working life (Years)	29.49	29.20

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.

Sensitivity Analysis of the defined benefit obligation.

	March 31, 2018	March 31, 2017
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	9,257	12,345
Impact due to increase of 0.50 %	(355)	(470)
Impact due to decrease of 0.50 %	380	503
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	9,257	12,345
Impact due to increase of 0.50 %	374	493
Impact due to decrease of 0.50 %	(352)	(465)

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

	March 31, 2018	March 31, 2017
Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	579	753
Between 1 and 5 years	3,302	3,190
Between 5 and 10 years	5,377	8,403

32 Dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

In terms of the requirements of the Micro, Small and Medium Enterprises Development Act, 2006, the Company has continuously sought confirmations. Based on the information available with the Company there are no interest amounts due to micro and small enterprises.

	March 31, 2018	March 31, 2017
the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	28,213	-
the amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-



Indiannica Learning Private Limited

(Formerly known as Encyclopaedia Britannica (India) Private Limited)

CIN: U22110DL1998PTC094399

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in thousands of Indian Rupees; except per share data and unless stated otherwise)

33 Contingent Liabilities

The Company has given bank guarantee to Sales Tax department Rs.235 thousands (Previous year: Rs. 235 thousands).

34 Capital Commitments and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL (March 31, 2017: Rs. 249 thousands).

35 Leases

Operating lease: Company as lessee

The Company has taken premises for office use under cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to Rs. 17,836 thousands (March 31, 2017 Rs. 19,408 thousands). There are no restrictions imposed by the lease agreements. There are no sub leases.

Amount payable within 1 year Rs. 2,198 thousands (Previous year: Rs.16,251 thousands) and within 1 to 5 years Rs. Nil (Previous year: Rs. 2,198 thousands).

36 Related party disclosures

(I) Name of Related Parties and related party relationship:

Names of Related Parties where control exists

Holding Company

Encyclopaedia Britannica Inc., USA (upto December 30, 2016)
Navneet Education Limited (w.e.f. December 30,2016)

Ultimate Holding Company

Encyclopaedia Britannica Holding SA (upto December 30, 2016)
Navneet Education Limited (w.e.f. December 30,2016)

Directors / Key managerial personnel (disclosed only where there are transactions)

Mr. Sarveshwar Srivastava (Managing Director) (upto 16th May 2017)
Mr. Sumit Gupta (CFO) (upto 15th May 2017)
Mr. Sumit Gupta (MD) (w.e.f.16th May 2017)
Mr. Tushar Jani (Independent Director) (w.e.f. 30th December 2016)
Mr. Chand Das Verma (Independent Director) (w.e.f.06th March 2017)

Additional related parties as per CA 2013 with whom transactions have taken place during the year

Company Secretary

Ms. Akanksha Sharma (upto May 6, 2016)
Ms. Meera Sawhney (w.e.f. March 6, 2017)

Post employment Benefit Plan

Indiannica Learning Group Gratuity Scheme



(ii) Related party transactions

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

Particulars	Holding Company and Ultimate Holding Company		Key Managerial Personnel		Total	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Loans taken during the year:						
Navneet Education Limited	150,000	170,000	-	-	150,000	170,000
Loan Repayment to Navneet	170,000	-	-	-	170,000	-
Interest expenses						
Interest Payment to Navneet	9,459	-	-	-	9,459	-
Sale of Right to use content						
Navneet Education Limited	4,791	-	-	-	4,791	-
Purchase of traded goods / Job work charges						
Encyclopedia Britannica Inc., USA	-	2,955	-	-	-	2,955
Navneet Education Limited	12,861	-	-	-	12,861	-
Insurance expenses						
	-	1,808	-	-	-	1,808
Other Miscellaneous Chargebacks						
	-	2	-	-	-	2
Contribution to Indiannica Learning Group Gratuity Scheme	3,358	2,515	-	-	3,358	2,515
Remuneration of Key Managerial Person						
- Mr. Sanjeev Kumar Srivastava (as a director of Managing Director)	-	-	4,445	44,680	4,445	44,680
- Mr. Sumit Gupta (as a director of Managing Director)	-	-	8,917	14,718	8,917	14,718
- Mr. Sumit Gupta (as a director of Chief Financial Officer)	-	-	6,624	-	6,624	-
- Mr. Tushar Jain	-	120	-	120	-	120
- Mr. Chand Das Verma	-	-	120	-	120	-
- Akanksha Sharma	-	-	31	-	31	-
- Meera Sawhney	-	-	339	21	339	21

Transactions with key management personnel

Compensation of key management personnel of the Company:

Particulars	March 31, 2018	March 31, 2017
Short-term employee benefits	13,701	59,450
Total	13,701	59,450

Note: The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel which does not include provisions made for employee benefits.

(iii) Outstanding Balances as at the year end:

Particulars	Holding Company and Ultimate Holding Company		Others		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Short Term borrowings outstanding at the year end	170,000	150,000	-	-	170,000	150,000
Trade Payables	9,563	-	-	-	9,563	-
Balance with Fund - Indiannica Learning Group Gratuity Scheme	-	-	7,707	8,642	7,707	8,642

Notes:

- Bank overdraft of the Company is secured by corporate guarantee given by holding company amounting to Rs. 30,000 thousands (Previous Year: 20,000 thousands). Refer note 17.3.
- Terms and conditions of transactions with related parties
The rendering and availing of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party. For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by the related parties (March 31, 2016: Nil, April 01, 2015: 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.



Indiannica Learning Private Limited

(Formerly known as Encyclopaedia Britannica (India) Private Limited)

CIN: U22110DL1998PTC094399

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in thousands of Indian Rupees; except per share data and unless stated otherwise)

37 Fair value of financial assets and liabilities

The management assessed that the fair values of financial asset and financial liabilities approximate their carrying amounts.

The following methods and assumptions were used to estimate the fair values:

- Fair values of cash and cash equivalents, trade receivables, interest accrued on deposits with bank, bank deposits, trade payables and other financial liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The management has considered fair value of security deposits, loan from NBFC, loan from bank, loan from related party, equal to their carrying value as fair values based on the current market interest rates and other risk factors approximate to carrying value.

Fair value hierarchy

The following table presents the financial assets and financial liabilities by level with the fair value measurement hierarchy :

	March 31, 2018		March 31, 2017	
	Level of input used in*	Carrying Amount	Level of input used in	Carrying Amount
a) Financial assets				
At Amortised Cost				
Trade receivables	NA	631,931	NA	673,050
Cash and cash equivalents	NA	8,025	NA	14,866
Interest accrued on deposits with bank	NA	-	NA	-
Bank deposits	NA	275	NA	264
At Fair Value Through P&L				
Security deposits	Level 2	4,201	Level 2	4,456
b) Financial liabilities				
At Amortised Cost				
Indian rupee loan from NBFC	NA	-	NA	1,296
Indian rupee loan from Bank	NA	-	NA	3,447
Indian rupee loan from related party	NA	-	NA	0
Bank overdraft	NA	185,171	NA	43,606
Trade payables	NA	252,161	NA	249,581

* There has been no transfer between level 1 and level 2 during the year ended March 31, 2018 and March 31, 2017. Level is NA, since valued at amortised cost.

38 Financial risk management objectives and policies

The Company is exposed to market risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks which are

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk primarily include trade receivables, trade payables, cash and cash equivalents.

The sensitivity analysis in the following sections relate to the position for the periods presented. The sensitivity analysis has been prepared on the basis that the amount of net debt and the proportion of financial instruments in foreign currencies are all constant. The analysis exclude the impact of movements in market variables on the carrying values of gratuity obligation and provisions.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks based on the financial assets and financial liabilities held at the periods presented.

Interest rate risk

The following tables demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Change in Intt. Rate	Effect on profit before tax
March 31, 2018	1%	(1,852)
	-1%	1,852
March 31, 2017	1%	(436)
	-1%	436



Indiannica Learning Private Limited*(Formerly known as Encyclopaedia Britannica (India) Private Limited)*

CIN: U22110DL1998PTC094399

Notes to the financial statements for the year ended March 31, 2018

*(All amounts are in thousands of Indian Rupees; except per share data and unless stated otherwise)***Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to trade payables, trade receivables.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Change in USD rate	Effect on profit before tax
March 31, 2018	5%	160
	-5%	-160
March 31, 2017	5%	(107)
	-5%	107

Price risk

The Company is not exposed to any significant price risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets.

Trade receivables

Customer credit risk is managed based on the Company's established policy, procedures and control relating to customer credit risk management. The Company evaluates the concentration of risk with respect to trade receivables as low. Out of total trade receivables balance as at 31st March 2018, Rs.74,353 thousands (Previous year: Rs.91,381 thousands) is due from a single customer being the Company's largest customer. There are no other customers who represent more than 10% of the balance of trade receivables. Outstanding customer receivables are regularly monitored by the management.

An impairment analysis is performed at each reporting date on an individual basis for major customers.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

The ageing of trade receivable and credit loss allowance is as under:

Particulars	Ageing		Total
	Upto 6 months	More than 6 months	
As at 31st March 2018			
Secured	-	-	-
Unsecured	618,526	45,444	663,970
Total receivables	618,526	45,444	663,970
Allowance for doubtful receivables	-	-	32,040
Net Receivables	618,526	45,444	663,970
Expected loss rate *			5%
As at 31st March 2017			
Secured	-	-	-
Unsecured	660,606	32,545	693,152
Total receivables	660,606	32,545	693,152
Allowance for doubtful receivables	-	-	20,102
Net Receivables	660,606	32,545	693,152
Expected loss rate *			3%

* Expected loss rate includes both allowance made based on age of the receivable and expected loss based on historical experience.



Indiannica Learning Private Limited

(Formerly known as Encyclopaedia Britannica (India) Private Limited)

CIN: U22110DL1998PTC094399

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in thousands of Indian Rupees; except per share data and unless stated otherwise)

Movement in credit loss allowance

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Balance at the beginning	20,102	16,778
Additional provision	12,366	4,879
Amounts written off	429	1,556
Balance at the end	32,040	20,102

Deposits with banks and other financial assets

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum level of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	Total
Year ended March 31, 2018				
Indian rupee loan from related party	-	150,000	-	150,000
Bank overdraft	185,171	-	-	185,171
Trade payables	252,161	-	-	252,161
Year ended March 31, 2017				
Indian rupee loan from NBFC	170	539	587	1,296
Indian rupee loan from Bank	93	292	3,062	3,447
Indian rupee loan from related party	170,000	-	-	170,000
Bank overdraft	43,606	-	-	43,606
Trade payables	249,581	-	-	249,581

The Company is not exposed to significant liquidity risk.

39 Capital management

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

The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, Loan obligation, trade and other payables and less cash and cash equivalents.

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Indian rupee loan from NBFC	-	1,296
Indian rupee loan from Bank	-	3,447
Indian rupee loan from related party	150,000	170,000
Bank overdraft	185,171	43,606
Trade payables	252,161	249,581
Less: cash and cash equivalent	(8,025)	(14,866)
Net Debt	579,306	453,064
Equity	382,737	575,387
Capital and Net debt	962,044	1,028,451
Gearing Ratio	60%	44%



Indiannica Learning Private Limited*(Formerly known as Encyclopaedia Britannica (India) Private Limited)*

CIN: U22110DL1998PTC094399

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in thousands of Indian Rupees; except per share data and unless stated otherwise)

- 40 On April 07, 2017 the name of the Company changed from "Encyclopaedia Britannica (India) Private Limited" to "Indiannica Learning Private Limited" and in pursuant to requirement of Companies Act, 2013 the registrar entered the new name in the register of companies in place of the old name and issued a fresh certificate of incorporation with the new name.

41 Exceptional Items

Exceptional items comprise of the following:

- (a) Charge of Rs. Nil (March 31, 2017: 67,106 thousands) towards payment of bonus to certain employees of the company as specified in share purchase agreement and NIL (March 31, 2017: 67,106 thousands) as one time recognition bonus to be paid to each full time employee of the Company. Out the this bonus recognised, during the year, the Company has written back Rs. 4,928 thousands (March 31, 2017: NIL) and said write back is also shown under exceptional items in Profit & Loss account.
- (b) Charge of Rs. Nil (March 31, 2017 : 2,294 thousands) towards legal and professional fees incurred on account of change in ownership from Encyclopaedia Britannica Inc., USA to Navneet Education Limited for the year ended March 31, 2017. Out the these expenses, during the year, the Company has recovered certain amounts from erstwhile holding company and said recovery is disclosed as exceptional items in Profit & Loss account.
- 42 The Company's activities during the year revolve around 'Publishing and sale of educational books'. Considering the nature of Company's business and operations, there is only one reportable segment (business and/or geographical) in accordance with the requirements of Ind AS - 108 - 'Operating Segments', prescribed under Companies (Indian Accounting Standards) Rules, 2015.
- 43 Chief Financial Officer of the Company was promoted to the post of Managing Director w.e.f. 16th May 2017 and consequently there was no CFO post 16th May 2017. The Company is in process of appointing a new CFO. Currently, the Company has availed extension for appointment of CFO from Ministry of Corporate Affairs upto 16th May 2018.

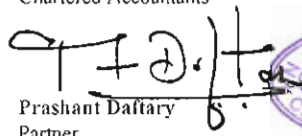
44 Changes in financing liabilities arising from cash and non-cash changes:

Particulars	March 31, 2017	Cash flows	Non-cash changes	March 31, 2018
Bank overdraft	43,606	141,565	-	185,171
Loan from Parent company	170,000	(20,000)	-	150,000
Total	213,606	121,565	-	335,171

For N. A. Shah Associates LLP

ICAI Firm Registration No. 116560W / W100149

Chartered Accountants

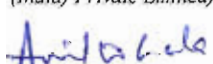

Prashant Daftary
 Partner
 Membership no.: 117080


Place: New Delhi

Date: May 01, 2018

For and on behalf of the board of directors of

Indiannica Learning Private Limited*(Formerly known as Encyclopaedia Britannica**(India) Private Limited)*


Anil Dugarshi Gala
 Director
 DIN: 00092952


Sumit Gupta
 Managing director
 DIN: 00039596


Meera Sawhney
 Company Secretary
 Mem. No. A48522

