



## **MADAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

Flat No.1003, 10<sup>th</sup> Floor  
Kailash Building, K.G. Marg  
New Delhi-110001  
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### **INDEPENDENT AUDITOR'S REPORT**

**To the members of Safari Digital Education Initiatives Pvt Ltd**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Safari Digital Education Initiatives Pvt Ltd** ("the Company"), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone 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.



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We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 the 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 financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



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- (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. the Company has provided requisite disclosures in its financial statements regarding holding and dealings in Specified Bank Notes as define in the Notification S. O. 3407(E) dated 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016. Based on the representations provided to us by the management, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. Refer Note 30 to the financial statements.

*For Madan & Associates*

*Chartered Accountants*

Firm's registration number: 000185N

*M. K. Madan*

**M. K. Madan**

*Proprietor*

Membership number: 082214  
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Place: New Delhi

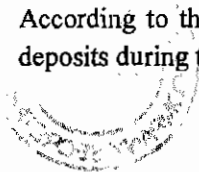
Date: 08.06.2017



## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) In respect of fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the said programme, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Company does not have any immovable property and therefore requirements of title deeds as per para 3(i)(c) of the order are not applicable.
- (ii) In respect of its inventories:
- (a) As explained to us, inventories have been physically verified during the year by the Management at close of the year.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). The company has charged interest @ 12% per annum and on the basis of information and explanation given, in our opinion the terms and conditions are not prima facie prejudicial to the interest of the company.
- (iv) In our opinion and according to the information and explanations given to us and certified by the company loans and investments made are in compliance of section 185 and 186 of the act.
- (v) According to the information and explanation given to us, the company has not accepted any deposits during the year.



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- (vi) Requirements of maintenance of cost records are not applicable to the company.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has generally been regular in depositing undisputed statutory dues, including provident Fund, income tax, service tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31.03.2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, service tax, cess which have not been deposited as at 31.03.2017 on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not borrowed any loans from a financial institution, banks, Government during the year and hence requirement of para 3(viii) of the order regarding the repayment of loans is not applicable.
- (ix) In our opinion and according to the information and explanation given to us, company has not made any term loan borrowings.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, Provisions of section 197 read with Schedule V to the act are not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment / private placement of shares to company under same management. It is certified by the company that allotment made complies with the provisions of section 42 of the act.



- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

*For Madan & Associates*

*Chartered Accountants*

Firm's registration number: 000185N

*M. K. Madan*

**M. K. Madan**

*Proprietor*

Membership number: 082214

Place: New Delhi  
Date: 08.06.2017



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**Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **Safari Digital Education Initiatives Pvt Ltd**("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**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 on Audit of Internal Financial Controls over Financial Reporting (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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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



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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

*for Madan & Associates*

*Chartered Accountants*

Firm's registration number: 000185N

*M. K. Madan*

**M. K. Madan**

*Proprietor*

Membership number: 082214



Place: New Delhi

Date: 08.06.2017

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**SAPARI DIGITAL EDUCATION INITIATIVES PVT LTD**  
**REGD. OFFICE : 7361, RAVINDRA MANSION, RAM NAGAR, NEW DELHI-110055**  
**BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	443,692,680	443,692,680
(b) Reserves and Surplus	4	(63,929,859)	(31,535,297)
<b>(2) Non-current Liabilities</b>			
(a) Long-term borrowings	5	317,996,404	230,099,677
(b) Other long-term liabilities	6	4,800,000	4,800,000
(c) Long-term provisions	7	3,021,983	1,136,528
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables	8	27,072,464	5,595,419
(c) Other current liabilities	9	5,387,140	4,077,729
(d) Short-term provisions	10	39,964	45,484
<b>TOTAL</b>		<b>738,080,776</b>	<b>657,912,220</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	10A	5,326,337	5,440,372
(ii) Intangible assets	10A	59,300,880	10,489,504
(iii) Intangible assets under development	10A	1,816,916	11,408,047
(b) Non-current investments	11	485,662,761	485,662,761
(c) Other non-current assets	12	8,089,600	7,869,600
(d) Long term Loans & Advances	13	129,598,755	126,688,023
<b>(2) Current Assets</b>			
(a) Inventories	14	4,661,663	197,138
(b) Trade receivables	15	32,800,126	4,241,539
(c) Cash and cash equivalents	16	2,623,795	(326,678)
(d) Short-term loans and advances	17	6,631,595	4,823,387
(e) Other current assets	17A	1,568,349	1,418,527
<b>TOTAL</b>		<b>738,080,776</b>	<b>657,912,220</b>

Significant Accounting Policies

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

For Madan & Associates  
Chartered Accountants  
Firm Regs. No. 000185N

*M. K. Madan*  
M. K. Madan  
PROPRIETOR  
Membership No. 82214

For and on behalf of Board of Directors

*Saurabh Mittal*  
Saurabh Mittal  
Director  
DIN : 01402533

*Samir Khurana*  
Samir Khurana  
Director  
DIN : 02971650

*Sheeba Dhamija*  
Sheeba Dhamija  
Company Secretary  
Mem No : A29705

*Dinesh Kumar Sharma*  
Dinesh Kumar Sharma  
Chief Financial Officer



Place : New Delhi  
Date : 08/06/2017

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**SAFARI DIGITAL EDUCATION INITIATIVES PVT LTD**  
**REGD. OFFICE : 7361, RAVINDRA MANSION, RAM NAGAR, NEW DELHI-110055**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR PERIOD ENDED 31ST MARCH, 2017**

Particulars	Note No.	For the period ended 31 March, 2017	For the period ended 31 March, 2016
<b>I. Revenue</b>			
(a) Revenue from operations	18	59,643,926	28,185,025
(b) Other income - (Interest)		6,667,639	3,977,027
<b>II. Total Revenue (a + b)</b>		<u>66,311,566</u>	<u>32,162,052</u>
<b>III. Expenses</b>			
(a) Cost of materials consumed		-	-
(b) Purchases of stock-in-trade			
(i) Books Purchase		23,536,425	878,024
(ii) E Books Purchase		3,857,358	1,501,701
(c) Changes in inventories	19	(4,464,525)	(152,063)
(d) Employee benefit expenses	20	16,300,984	11,778,232
(e) Other expenses	21	19,845,553	20,300,436
(f) Selling & Distribution expenses	22	3,678,140	2,164,889
<b>IV. Total Expenses</b>		<u>62,753,935</u>	<u>36,471,220</u>
<b>V. Profit Before Interest Depreciation and Taxes (PBDIT)</b>		3,557,631	(4,309,168)
(g) Finance costs		31,636,172	15,127,031
(h) Depreciation and amortization expenses		4,316,020	433,724
<b>VI. Profit / (loss) before tax (II - IV)</b>		(32,394,562)	(19,869,923)
<b>VII. Tax expense</b>			
(a) Current tax		-	-
(b) Deferred tax		-	-
<b>VIII. Profit / (loss) for the period (V-VI)</b>		(32,394,562)	(19,869,923)
<b>IX. Prior period adjustments</b>		-	-
<b>X. Profit / (loss) transferred to Balance Sheet (VII - VIII)</b>		<u>(32,394,562)</u>	<u>(19,869,923)</u>
<b>XI. Earnings per equity share (EPS)</b>	22		
(a) Basic		(0.73)	(0.45)
(b) Diluted		(0.73)	(0.45)

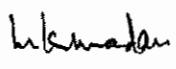
Significant Accounting Policies

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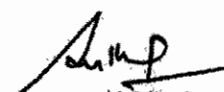

The accompanying notes are an integral part of the financial statements.  
As per our separate report of even date attached

For Madan & Associates  
Chartered Accountants  
Firm Regs. No. 000185N

For and on behalf of Board of Directors

  
M. K. Madan  
PROPRIETOR  
Membership No. 82214



  
Saurabh Mittal  
Director  
DIN : 01402533  
  
Sheela Dhamija  
Company Secretary  
Mem No : A29705

  
Samir Khurana  
Director  
DIN : 02971650  
  
Diwan Kumar Sharma  
Chief Financial Officer

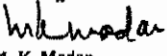
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Date : 08/06/2017

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**SAFARI DIGITAL EDUCATION INITIATIVES PVT LTD**  
**REGD. OFFICE : 7361, RAVINDRA MANSION, RAM NAGAR, NEW DELHI-110055**  
**Statement of Cash Flows**  
**Period Ended 31st March 2017**

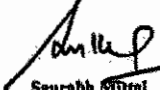
	<u>31.03.2017</u>	<u>31.03.2016</u>
	Amount (Rs.)	Amount (Rs.)
<b>Cash Flows provided by operating activities</b>		
Net Loss	(32,394,562)	(19,869,923)
<b>Adjustments to reconcile net loss to net cash used in operating activities</b>		
Depreciation	4,316,020	433,724
Interest Paid	31,636,172	15,127,031
Interest received	(6,431,126)	(3,976,984)
Provision for Gratuity and Leave Encashment	1,886,690	1,137,012
	(986,805)	(7,149,140)
<b>Changes in assets &amp; liabilities:</b>		
Prepaid & other current & non current assets	(220,000)	(1,305,600)
Inventories	(4,464,526)	(152,063)
Increase/Decrease in Current Liabilities	1,302,656	2,642,404
Trade Receivables	(28,558,587)	(3,858,585)
Increase/Decrease in Long Term Liabilities	-	3,688,890
Increase/Decrease in Trade Payables	21,477,045	6,136,584
Short Term advances & Other current assets	(1,958,030)	(4,175,444)
<b>Net cash provided by operating activities</b>	(13,408,246)	(4,172,953)
<b>Cash flows used in investing activities:</b>		
Interest Received	6,431,126	3,976,984
Purchase/Transfer of investments Long term Loans and advances *	(2,910,732)	(52,499,023)
Purchase of fixed assets	(43,422,230)	(27,771,647)
Purchase/Transfer of investments	-	(144,255,829)
<b>Net cash used in investing activities</b>	(39,901,836)	(220,549,516)
<b>Cash flows from financing activities:</b>		
Interest Paid	(31,636,172)	(15,127,031)
Capital from shareholders	-	15,500,000
Long term borrowings	87,896,727	223,967,863
<b>Net cash provided by financial activities</b>	56,260,555	224,340,832
<b>Effects of exchange rates on cash</b>	-	-
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	2,950,473	(381,637)
<b>Supplementary Disclosure of cash flow information</b>		
Income Taxes paid	-	-
Interest paid	31,636,172	15,127,031
Interest received	6,432,000	3,976,984
Opening cash	(326,678)	54,959
Closing cash	2,623,795	(326,678)
Increase (Decrease)	2,950,473	(381,637)

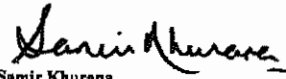
For Madan & Associates  
Chartered Accountants  
Firm Regs. No. 000185N  
  
M. K. Madan  
PROPRIETOR  
Membership No. 82214


Place : New Delhi  
Date : 08/06/2017




For and on behalf of Board of Directors

  
Saurabh Mittal  
Director  
DIN : 01402533

  
Samir Khurana  
Director  
DIN : 02971650

  
Sheeba Dhamija  
Company Secretary  
Mem No : A29705

  
Dinesh Kumar Sharma  
Chief Financial Officer

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**SAFARI DIGITAL EDUCATION INITIATIVES PVT LTD**  
**REGD. OFFICE : 7361, RAVINDRA MANSION, RAM NAGAR, NEW DELHI-110055**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**  
**FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH, 2017**

**1 CORPORATE INFORMATION**

Safari Digital Education Initiatives Private Limited (the company) is a private limited company incorporated under the provisions of companies Act 1956. The Company is subsidiary of S Chand And Company Limited. The Company is primarily engaged in providing digital education.

**2 BASIS OF PREPARATION**

- a) The accounts are prepared on the historical cost convention on the basis of going concern and in accordance with the accounting standards referred to in section 133 of the Companies Act, 2013.
- b) The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis.

**2.1 SIGNIFICANT ACCOUNTING POLICIES**

**A. Valuation of Inventory:**

Items of inventories are measured at lower of cost (average cost) or net realisable value after providing for obsolescence, if any.

**B. Prior Period Items**

Prior Period items are disclosed separately in the profit & loss account for the period, keeping in view their materiality and the past method of accounting.

**C. Exceptional and Extra-ordinary Items:**

Exceptional and extra-ordinary items of the Company during the period are disclosed separately in the statement of profit and loss for the period, as part of net profit.

**D. Depreciation and amortization:**

- a) **Depreciation on tangible fixed assets** is calculated on Useful Life basis using the rates prescribed in Schedule II to the Companies Act, 2013 in respect of assets which are used for full during the period and on prorata basis for assets acquired and put to use during the period.
- b) **Intangible fixed assets** are amortized on a straight-line basis over the estimated useful economic life in respect of assets which are used for full during the period and on prorata basis for assets acquired / recognized and put to use during the period.

**E. Revenue Recognition**

- a) All incomes and expenses are accounted for on accrual and prudent basis. Revenue in respect of insurance / other claims etc. is recognised only when it is reasonably certain that the ultimate collection will be made.
- b) Domestic sale of goods is recognised on dispatch of the goods.
- c) In respect of intangible assets, revenue is recognised on the basis of provision of services. Expenses incurred on development of intangibles are capitalized.

**F. Valuation of Investment:**

- a) **Trade investments** are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase.
- b) **Current investments** are carried at the lower of cost and fair market value of each investment individually.
- c) **Long term investments** are carried at cost less provisions recorded to recognize any diminution, other than temporary, in the carrying value of each investment.

**G. Tangible Fixed Assets:**

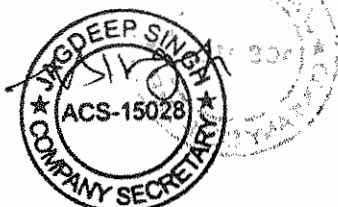
Tangible fixed assets are stated at cost. Cost includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including expenditures and levies directly attributable to bringing the assets to their working condition for the intended use. Net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

**H. Intangible Fixed Assets:**

Intangible assets are recognized if they are separately identifiable and future economic benefits arising out of them are controlled by entity. Cost of intangible assets is determined as under :-

- a) Direct Cost of acquisition.
- b) Salary of employees and administrative expenses related to these employees working on the development of content/ selling expenses till commercial launching of the project. .

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1. **Retirement Benefits:**

a) **Defined Contribution Plans**

The Company records expense for defined contribution Plans for the Company's contribution when the employee renders service to the company, essentially coinciding with the cash contributions to the plans. The contribution to the provident fund is a statutory liability required by Employees Provident Fund Act, 1952.

b) **Defined Benefit Plans – Gratuity**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Liability with regard to gratuity plan is determined by actuarial valuation at each balance sheet date using the projected unit credit method. Actuarial gain or loss is recognized in statement of operations as and when incurred.

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**SAPARI DIGITAL EDUCATION INITIATIVES PVT LTD**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st March, 2017 (Contd...)**

**3. SHARE CAPITAL**

	31st March, 2017		31st March, 2016	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b>Authorised shares:</b>				
Equity shares of Rs. 10/- each	45,000,000	450,000,000	45,000,000	450,000,000
<b>Issued, subscribed and fully paid-up share capital:</b>				
Equity shares of Rs. 10/- each	44,369,268	443,692,680	44,369,268	443,692,680

Total

**Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:**

	31st March, 2017		31st March, 2016	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the Period	44,369,268	443,692,680	42,819,268	428,192,680
Shares issued during the Period	-	-	1,550,000	15,500,000
Shares outstanding at the end of the Period	44,369,268	443,692,680	44,369,268	443,692,680

**Equity Shares held by holding company, ultimate holding company and/or their subsidiaries/associates:**

	31st March, 2017	31st March, 2016
	Amount (Rs.)	Amount (Rs.)
S. Chand and Company Ltd., the holding company		
2,65,84,168 (31st March 2016: 2,65,84,168 ) equity shares of Rs. 10/- each fully paid-up	265,841,680	265,841,680
Nirja Publishers & Printers Pvt Ltd		
1,77,85,000 (31st March 2016: 1,77,85,000) equity shares of Rs 10/- each fully paid up	177,850,000	177,850,000
Vikas Publishing House Pvt Ltd		
1,000 (31st March 2016: 1000) equity shares of Rs 10/- each fully paid up	1,000	1,000
	<u>443,692,680</u>	<u>443,692,680</u>

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

	31st March, 2017		31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of Rs. 10/- each fully paid-up				
S Chand and Company Limited, holding company	26,584,168	59.92	26,584,168	59.92
Nirja Publishers and Printers Pvt Ltd	17,785,000	40.08	17,785,000	40.08

**4. RESERVES & SURPLUS**

	31st March, 2017	31st March, 2016
	<b>A. Surplus / (Deficit) in the statement of profit and loss</b>	
Opening Balance	(31,535,297)	(11,665,174)
Add : Net Profit / (Net Loss) for the current Period	(32,394,562)	(19,869,923)
Transfer from Reserves	(63,929,859)	(31,535,297)
Closing Balance	<u>(63,929,859)</u>	<u>(31,535,297)</u>

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**SAFARI DIGITAL EDUCATION INITIATIVES PVT LTD**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST March, 2017 (Contd...)**

<b>5. LONG TERM BORROWINGS</b>	As at 31 March 2017	As at 31 March 2016
<b>A. Unsecured</b>		
<b>a. Loans &amp; Advances from Related Parties</b>		
i) Nirja Publishers & Printers Pvt.Ltd. (Note 5.1)	235,202,214	212,667,863
ii) S Chand and Company Ltd (Note 5.2)	19,310,822	17,431,814
iii) Eurasia Publishing House Pvt Ltd (Note 5.3)	63,483,368	-
<b>Total (A)</b>	<b>317,996,404</b>	<b>230,099,677</b>

5.1 Principal amount Rs. 20,12,00,000/- (PY - Rs 20,12,00,000/-) & Interest amount Ra. 3,40,02,214 (PY - Rs.1,14,67,863/-)

5.2 Principal amount Rs. 1,60,00,000/- (PY- Rs. 1,60,00,000/-) & Interest amount is Rs. 33,10,822/- (PY - 14,31,814/-)

5.3 Principal amount Rs. 6,00,00,000/- (PY- NIL) & Interest amount is Rs.34,83,368/- (PY - NIL)

\* Optionally convertible unsecured loan of Rs 6,00,00,000/- taken from Eurasia Publishing House Pvt Ltd during the year.

Loan is convertible at the option after one year, if not converted on or before 3 years loan shall be repaid on completion of 3 years.

**6. OTHER LONG TERM LIABILITIES**

A. Security Deposit Received-Premises (from S Chand and Company Ltd -Holding Company)	4,800,000	4,800,000
<b>Total</b>	<b>4,800,000</b>	<b>4,800,000</b>

**7. LONG TERM PROVISIONS**

**Provision For employees benefits**

Gratuity	1,495,337	615,149
Leave Encashment	1,526,646	521,379
<b>Total</b>	<b>3,021,983</b>	<b>1,136,528</b>

**8. TRADE PAYABLES**

Trade Creditors	27,072,464	5,595,419
<b>Total</b>	<b>27,072,464</b>	<b>5,595,419</b>

**9. OTHER CURRENT LIABILITIES**

	Amount (Rs.)	Amount (Rs.)
A. Expenses Payable	3,440,999	2,219,064
B. Advance from Debtors	685,055	122,750
C. Other payables		
i) Duties & Taxes	1,261,086	1,735,915
<b>Total</b>	<b>5,387,140</b>	<b>4,077,729</b>

**10. SHORT TERM PROVISIONS**

**A. Others**

a. Audit Fee Payable	37,500	45,000
b. Provision for Leave Encashment	1,235	484
c. Provision for Gratuity	1,229	-
<b>Total</b>	<b>39,964</b>	<b>45,484</b>

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SNO.	ASSETS CLASS	OPENING BALANCE		ADDITIONS		DEPRECIATION		CLOSING BALANCE		NET BOOK VALUE	
		31/03/16	31/03/17	31/03/16	31/03/17	31/03/16	31/03/17	31/03/16	31/03/17	31/03/16	31/03/17
(a)	Tangible Assets										
1	Furniture & Fixtures	4,27,494	-	-	-	4,77,494	10	252,370	659,113	-	911,983
2	Office Equipment	639,150	233,358	871,508	5	95,080	231,994	316,474	555,034	-	554,970
3	Computers & Peripherals	933,165	1,309,030	2,062,215	3	91,486	384,936	836,422	1,405,793	-	861,679
	<b>Total</b>	<b>5,862,809</b>	<b>1,541,488</b>	<b>7,411,217</b>	<b>-</b>	<b>429,437</b>	<b>1,655,443</b>	<b>2,094,889</b>	<b>5,516,337</b>	<b>-</b>	<b>5,449,372</b>
(b)	Intangible assets										
1	INTANGIBLE ASSETS	10,396,191	51,170,633	61,566,824	10	2,848	2,568,166	2,571,014	58,995,810	-	10,393,343
2	INTANGIBLE ASSETS- SOFTWARE	97,600	30,320	398,920	3	1,439	92,411	93,850	305,070	-	96,161
	<b>Total</b>	<b>10,493,791</b>	<b>51,471,953</b>	<b>61,965,744</b>	<b>-</b>	<b>4,287</b>	<b>2,660,577</b>	<b>2,664,864</b>	<b>59,300,880</b>	<b>-</b>	<b>10,489,504</b>
(c)	Capital Development In Progress										
1	Content WIP	11,409,057	40,280,305	49,871,937	-	1,816,916	-	-	1,816,916	-	11,409,047
	<b>Total</b>	<b>11,409,047</b>	<b>40,280,306</b>	<b>49,871,937</b>	<b>-</b>	<b>1,816,916</b>	<b>-</b>	<b>-</b>	<b>1,816,916</b>	<b>-</b>	<b>11,409,047</b>
	<b>Current Year Total</b>	<b>27,771,647</b>	<b>93,294,657</b>	<b>71,493,877</b>	<b>-</b>	<b>433,224</b>	<b>4,316,823</b>	<b>4,749,744</b>	<b>66,444,133</b>	<b>-</b>	<b>27,337,923</b>

Note 1: Includes Rs 20,966,234/- towards capitalization of Salary and reimbursements made to employees during the Period and Rs. 1,48,43,157/- which pertains to administrative expenses and selling expenses till the Milestone project was commercially launched i.e. 31st December, 2016. Till quarter audit of Dec'16 company capitalised only salary of content team.

Note 2: Rs 97,600/- is re-purchased from Tangibles to Intangibles software.

Note 3: Intangibles Asset includes Rs 12,98,697/- for Mobile App developed through group company.

Note 4: Details of CWIP & Intangibles:

Particulars	Opening Balance		Additions		Capitalization		Closing Balance	
	31/03/16	31/03/17	31/03/16	31/03/17	31/03/16	31/03/17	31/03/16	31/03/17
CWIP-content development	9,267,232	36,543,723	44,807,439	1,132,916	44,807,439	44,807,439	44,807,439	44,807,439
CWIP-Assessment Test Generator Milestone	2,160,315	654,000	654,000	634,000	654,000	654,000	654,000	654,000
CWIP-My study Gear App Development	11,409,047	40,280,306	40,280,306	1,816,916	40,280,306	40,280,306	40,280,306	40,280,306
<b>Total</b>	<b>22,836,594</b>	<b>77,478,029</b>	<b>85,741,745</b>	<b>3,621,832</b>	<b>85,741,745</b>	<b>85,741,745</b>	<b>85,741,745</b>	<b>85,741,745</b>

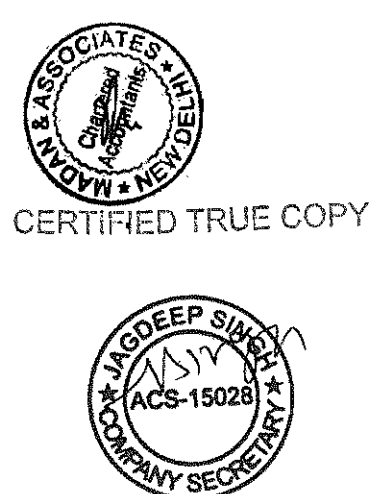
\* No income is generated in respect of Intangibles of Rs. 1,66,79,979/-. Management is of the view that these intangibles do have economic values and will generate income from the next academic session. Considering the same no impairment is recognized.

Note 5: Depreciation includes impairment of Rs 11,33,657/-.

Intangibles:

Particulars	Opening Balance	Additions	Debit/loss	Closing Balance
My Study Gear App	9,267,232	6,783,191	-	16,050,423
Content-DR	2,160,315	-	-	2,160,315
Content-PR Code	11,409,047	786,535	-	12,195,582
Milestone	-	43,666,524	-	43,666,524
<b>Total</b>	<b>22,836,594</b>	<b>51,176,250</b>	<b>-</b>	<b>74,012,844</b>

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**SAFARI DIGITAL EDUCATION INITIATIVES PVT LTD**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017 (Contd...)**

**11. NON-CURRENT INVESTMENTS**

**A. Trade Investments**

Sl. No.	Particulars	Subsidiary / Associate / JV / Controlled Special Entity / Others	As on		Quoted / Unquoted	Parity Paid / Fully Paid	Extent of Holding (%)		As on		At Cost
			31st Mar 2017	31st Mar 2016			31st Mar 2017	31st Mar 2016	31st Mar 2017	31st Mar 2016	
a.	<b>Investment Properties</b>	N.A.			N.A.	N.A.					
b.	<b>Investments in Equity Instruments</b>										
(i)	S Chand EduTech Pvt. Ltd. (Equity Shares of Rs. 10/- each)	Subsidiary	15740	15,740	Unquoted	Fully paid	73.53	73.53	157,400	157,400	At Cost
(ii)	D S Digital Pvt. Ltd. (Equity Shares of Rs. 10/- each) (Refer Note 11.1)	Subsidiary	17,017,165	17,017,165	Unquoted	Fully paid	41.60	41.60	135,885,974	135,885,974	At Cost
(iii)	Eduator Technologies (I) Pvt Ltd (Equity Shares of Rs. 2/- each) (Refer Note P of significant accounting policies & other Notes)		2,023,766	2,023,766	Unquoted	Fully paid	44.66	44.66	235,827,993	235,827,993	At Cost
(iv)	Oyerkosh Solutions Pvt Ltd (Equity Shares of Rs. 10/- each at a premium of Rs. 65.50 per share, as per Share Purchase Agreement) (Refer Note 11.2)		100	100	Unquoted	Fully paid	11.42	11.42	7,550	7,550	At Cost
(v)	Testbook Edu Solutions Pvt Ltd (Equity Shares of Rs. 10/- each at a premium of Rs. 823.4/- per share, as per Share Purchase Agreement) (Refer Note 11.1)		100	100	Unquoted	Fully paid	0.55	0.55	826,551	826,551	At Cost
	<b>Total 'b'</b>		<u>19,058,871</u>	<u>19,058,871</u>					<u>372,705,468</u>	<u>372,705,468</u>	
c.	<b>Investments in Preference Instruments</b>										
(i)	D S Digital Pvt. Ltd. (Preference Shares of Rs. 10/- each) (Refer Note 11.1)	Subsidiary	6,170,400	6,170,400	Unquoted	Fully paid	15.09	15.09	61,704,000	61,704,000	At Cost
(ii)	Gyanikosh Solutions Pvt Ltd (Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each at a premium of Rs. 65.50 per share, as per Share Purchase Agreement) (Refer Note 11.2)		319,900	319,900	Unquoted	Fully paid	0.01	0.01	24,152,450	24,152,450	At Cost
(iii)	Testbook Edu Solutions Pvt Ltd (Compulsory Convertible Cumulative Preference Shares of Rs. 500/- each at a premium of Rs. 7744/- per share, as per Share Purchase Agreement) (Refer Note 11.1)		2,690	2,690	Unquoted	Fully paid	14.78	14.78	22,234,209	22,234,209	At Cost
(iv)	Next Door Learning Solutions Pvt Ltd (Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each at a premium of Rs. 13776.50 per share, as per Share Purchase Agreement) (Refer Note 11.3)		353	353	Unquoted	Fully paid	2.59	2.59	4,866,635	4,866,635	At Cost
	<b>Total 'c'</b>		<u>6,493,543</u>	<u>6,493,543</u>					<u>112,897,294</u>	<u>112,897,294</u>	
	<b>Total (A)</b>								<u>485,602,761</u>	<u>485,602,761</u>	

Note 11.1  
 Note 11.2  
 Note 11.3  
 FMY of shares as per certificate of chartered accountant is more than the cost of acquisition.  
 FMY of Gyanikosh is not available. However company is of the view that FMY is more than the cost of acquisition.  
 FMY is not available as on date.



*Adh*  
*Su*  
*Sharma*  
*KS*

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**SAFARI DIGITAL EDUCATION INITIATIVES PVT LTD**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017 (Contd..)**

	For the period ended 31 March, 2017	For the period ended 31 March, 2016
<b>18. REVENUE FROM OPERATIONS</b>		
A. Income From Rent	9,600,000	9,600,000
B. Income from Maintenance	584,975	527,400
C. E- Book Sale *	4,854,281	2,091,345
D. Digital Data Management Services	12,000,000	13,500,000
F. Curriculum Books Sales	32,106,408	485,000
G. Training Income	498,262	-
<b>Total</b>	<b>59,643,926</b>	<b>28,183,875</b>

\* E Books Sales are certified by Management.

**19 CHANGE IN INVENTORIES**

<b>Opening Stock</b>		
Trade Items	197,138	45,075
<b>Closing Stock</b>		
Trade Items	4,661,663	197,138
<b>(Increase)/ Decrease in Stock</b>	<b>(4,464,525)</b>	<b>(152,063)</b>

**20 EMPLOYEE BENEFIT EXPENSES**

A. Salaries, wages, bonus & Staff Welfare *	14,372,109	10,641,220
B. Gratuity	881,417	615,149
C. Leave Encashment	1,047,458	521,863
<b>Total</b>	<b>16,300,984</b>	<b>11,778,232</b>

\* Excludes Rs. 2,09,58,234/- capitalised during the year (previous year Rs. 59,13,964/-) under Intangibles for Milestone Content.

**21 OTHER EXPENSES**

A. Repairs & Maintenance		
a. Others	1,358,441	972,947
B. Legal & Professional Fees (Refer note 21.1)	484,400	1,392,597
C. Payment to Auditors	150,000	50,000
D. Fee & Filing charges	78,176	125,394
E. Internet & Telephone Exps	493,253	254,395
F. Printing & Stationery	139,516	5,347
G. Office Expenses	153,160	164,403
H. Books & Subscriptions	34,373	189,879
I. Power & Electricity	322,922	267,244
J. Consultancy Charges	257,167	1,302,601
K. Exchange Fluctuation Difference	15,030	-
L. Rent	13,745,758	15,086,400
M. Rate & Taxes	140,513	367,068
N. Recruitment Expenses	-	204,256
O. Balances Written Back	(2,414)	(22,095)
P. Courier Charges	165,271	-
Q. Insurance Expenses	59,087	-
R. Diwali Expenses	50,000	-
<b>Total</b>	<b>19,845,553</b>	<b>20,300,436</b>

Note 21.1: It includes Rs. 1,12,500/- paid for drafting of agreement for purchase of shares.

**Details of Payment to Auditors**

<b>As Auditor:</b>		
Audit Fee (Excludes service tax)	150,000	50,000
<b>Total</b>	<b>150,000</b>	<b>50,000</b>

**22 SELLING & DISTRIBUTION EXPENSES**

A. Advertisement Expenses	399,421	74,707
B. Sales Promotion (Note 22.1)	808,334	113,278
C. Travelling & Boarding & Conveyance Expenses (Note 22.2)	2,470,185	1,976,994
<b>Total</b>	<b>3,678,140</b>	<b>2,164,989</b>

\* Note 22.1 : Excludes Rs. 900,923/- capitalised during the year.

\* Note 22.2 : Excludes Rs. 23,32,734/- capitalised during the year.

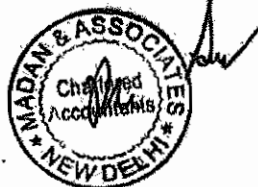
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*Handwritten signatures and initials: An, Su, Shweta, G.*

**SAFARI DIGITAL EDUCATION INITIATIVES PVT LTD**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017 (Contd...)**

	As at 31 March 2017	As at 31 March 2016
<b>12. OTHER NON-CURRENT ASSETS</b>		
<b>A. Others</b>		
Security Deposit-Premises	8,089,600	7,869,600
<b>Total</b>	<b>8,089,600</b>	<b>7,869,600</b>
<b>13. LONG TERM LOANS</b>		
S.Chand Edutech Pvt.Ltd. (Refer Note No. 24)	21,843,645	21,843,645
D S Digital Pvt. Ltd. (Refer Note No. 24)	67,950,110	65,039,378
JSR Marketing Pvt Ltd (Refer Note 13.2)	39,805,000	39,805,000
<b>Total</b>	<b>129,598,755</b>	<b>126,688,023</b>
13.1 These loans are regrouped from "Short term loan & advances" to "Long term loan & advances".		
13.2 Represents un-confirmed interest free loans outstanding from earlier years without any stipulation as to the repayment of the same, considered good by the management.		
<b>14. INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Milestone Books*	4,661,663	197,138
<b>Total</b>	<b>4,661,663</b>	<b>197,138</b>
* In absence of the stock register valuation is certified by the management.		
<b>15. TRADE RECEIVABLES</b>		
Considered good Less than 180 Days*	32,800,126	4,241,539
<b>Total</b>	<b>32,800,126</b>	<b>4,241,539</b>
* In absence of the confirmation considered good by the management.		
* Includes Rs.5,25,000/- due from the concern in the same group.		
<b>16. CASH AND CASH EQUIVALENTS</b>		
<b>A. Balances with Banks</b>		
HDFC Bank Ltd	2,588,653	(489,875)
RBS Ltd.	-	4,797
<b>B. Cash on hand</b>	35,142	158,400
<b>Total</b>	<b>2,623,795</b>	<b>(326,678)</b>
<b>17. SHORT TERM LOANS AND ADVANCES</b>		
<b>Other Loans &amp; Advances</b>		
TDS Receivable	5,119,016	4,658,402
Advance to Suppliers*	1,512,579	164,986
<b>Total</b>	<b>6,631,595</b>	<b>4,823,387</b>
* Includes Rs. 15 lacs paid to Fortuna Plix P Ltd against license of educational content for a total consideration of Rs. 25 lacs. Company has received part of the content pending complete information on the completion the amount has been carried as advance to be adjusted in the next year on receipt of complete content.		
<b>17A. OTHER CURRENT ASSETS</b>		
A. Service Tax (Input)	1,447,749	1,026,063
B. Prepaid Expenses	120,600	392,464
<b>Total</b>	<b>1,568,349</b>	<b>1,418,527</b>



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**SAFARI DIGITAL EDUCATION INITIATIVES PVT LTD**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017 (Contd...)**

**23 EARNING PER SHARE (EPS)**

	As At March 2017	As At March 2016
Total operations for the period		
Profit / (loss) after tax	(32,394,562)	(19,869,923)
Less: Dividends & dividend tax on other than equity shares	-	-
Net profit / (loss) for calculation of Basic EPS	<u>(32,394,562)</u>	<u>(19,869,923)</u>
Net profit as above	(32,394,562)	(19,869,923)
Add : Dividends & dividend tax on other than equity shares	-	-
Add : Adjustments for the effects of dilutive potential equity shares	-	-
Net profit / (loss) for calculation of Diluted EPS	<u>(32,394,562)</u>	<u>(19,869,923)</u>
Weighted average number of equity shares in calculating Basic EPS	44,369,268	44,369,268
Effect of dilution:		
Convertible preference shares (numbers)	-	-
Convertible bonds (numbers)	-	-
Stock option granted under ESOP	-	-
Weighted average number of equity shares in calculating Diluted EPS	<u>44,369,268</u>	<u>44,369,268</u>
Basic Earning per equity share	(0.73)	(0.45)
Diluted Earning per equity share	(0.73)	(0.45)



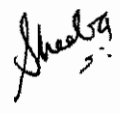
**24 Related Party Disclosure**

Related Party disclosure in accordance with the Accounting Standard AS-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India is given as under in respect of related parties with whom transactions have taken place:

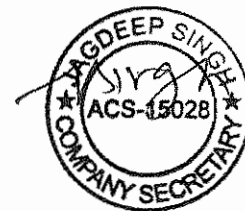
Accountants of India is given as under in respect of related parties with whom transactions have taken place:

a) **Related parties and their relationship**

- |                                    |                                       |
|------------------------------------|---------------------------------------|
| 1) Holding Company                 | -S Chand and Company Ltd.             |
| 2) Subsidiary Company              | -S.Chand Edutech Pvt. Ltd.            |
|                                    | -DS Digital Private Ltd               |
| 3) Associate Companies / Firms     | -Editor Technologies (I) Pvt. Ltd.    |
|                                    | -Nija Publishers & Printers Pvt. Ltd. |
| 4) Companies under same Management | -New Saransil House (India) Pvt. Ltd. |
|                                    | -Vikas Publishing House Pvt. Ltd.     |
|                                    | -Eureka Publishing House Pvt. Ltd.    |
|                                    | -BPI India Pvt. Ltd.                  |
| 5) Key Management Personnel        |                                       |
| - Mr. Suresh Mittal                | : Director                            |
| - Mr. Sanjay Khosla                | : Director                            |
| - Mr. Renu Nath Mittal             | : Director                            |
| - Ms. Sheeba Dhanija               | : Company Secretary                   |

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Nature of Transactions	Holding Company	Subsidiaries	Associates	Key Managerial Personnel & their relatives	Companies under Same Management
<b>Investments made during the Period</b>					
Eduator Technologies India Pvt Ltd	-	-	(92,168,415)	-	-
<b>Purchase of E Books &amp; Printed Books</b>					
S Chand & Company Limited	2,389,172 (425,564)				
Vikas Publishing House Private Limited					21,944,007 (1,626,822)
New Sarawati House India Private Limited					88,543
BPI India Private Limited					104,084
<b>App Development Support Service Received</b>					
S Chand EduTech Private Limited		1,298,697 (5,283,445)			
<b>Loans and Advances Given during the Period</b>					
DS Digital Private Ltd		7,661,932 (53,500,000)			
S Chand EduTech Private Limited		1,363,633 (2,872,044)			
<b>Loans and Advances Received</b>					
S Chand and Company Limited	(16,000,000)				
Nirja Publishers & Printers Private Limited					(196,500,000)
Eurasia Publishing House Private limited					60,800,800
<b>Repayment received against Loan and Advances Given</b>					
DS Digital Private Ltd		10,100,000 (1,150,000)			
<b>Interest Income on Loans and Advances Given</b>					
DS Digital Private Limited		6,432,800 (3,278,532)			
<b>Interest Expense on Loans and Advances Received</b>					
S Chand and Company Limited	1,087,788 (1,590,905)				
Nirja Publishers & Printers Private Limited					25,508,168 (13,450,202)
Eurasia Publishing House Private limited					3,870,411
<b>Security Deposits Received during the Period</b>					
S Chand and Company Limited	(3,682,890)				
<b>Sale of Digital Books</b>					
Eduator Technologies India Pvt Ltd			383,223 (949,605)		
<b>QR Code Development Services</b>					
S Chand and Company Limited	(241,280)				
Vikas Publishing House Private Limited					(1,503,360)
New Sarawati House (India) Private Limited					(236,640)
<b>Data Management Services</b>					
Vikas Publishing House Private Limited					6,900,000 (6,000,000)
New Sarawati House (India) Private Limited					6,900,000 (7,300,000)
<b>Premises Rent Received</b>					
S Chand and Company Limited	9,686,000 (9,600,000)				
<b>Maintenance Income and Reimbursement for Electricity</b>					
S Chand and Company Limited	1,317,148 (1,496,156)				
<b>Reimbursement of Travel, Film Fee &amp; Subscription</b>					
S Chand and Company Limited	187,537 (297,920)				
Eduator Technologies India Pvt Ltd			(69,792)		
<b>Salary, Perks and Allowances</b>					
Vinay Sharma				3,321,031 (3,708,945)	
Sheeba Dhanija				875,325	

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*Handwritten signatures and initials: An, S, Sheeba*

Nature of Transactions	Holding Company	Subsidiaries	Associate	Key Managerial Personnel & their relatives	Companies under Same Management
Balance outstanding as at 31st Mar 2017 Security Deposit Received S Chand and Company Limited	4,800,000 (4,800,000)				
Loans and Advances as at 31st Mar 2017 DS Digital Private Limited S Chand Edutech Private Limited		67,958,110 (65,039,379) 21,843,645 (21,843,645)			
Trade Receivables as at 31st Mar 2017 Editor Technologies India Pvt Ltd New Saraswati House (India) Private Limited S Chand and Company Limited Vikas Publishing House Private Limited			586,811 (272,810)		436,457 (2,828,218) 525,000 (522,500)
Trade Payables as at 31st Mar 2017 Vikas Publishing House Private Limited S Chand and Company Limited BPI India Private Limited					21,163,820 (1,626,822) 108,084
Investments made as at 31st Mar 2017 DS Digital Private Limited S Chand Edutech Private Limited Editor Technologies India Pvt Ltd		197,589,974 (197,589,974) 157,400 (157,400)		235,827,993 (235,827,993)	
Long Term Borrowings as at 31st Mar 2017 S Chand and Company Limited Nirja Publishers & Printers Private Limited Eureka Publishing House Private limited	19,310,822 (16,000,000)				235,262,214 (212,667,863) 63,483,348

Figures in brackets represents previous year figures

Note 1: Amount written off or written back in respect of debts due from / or to related parties is Nil (PY Nil) and entire amount is recoverable and no portion of the outstanding amount is doubtful.

*Am* *G* *Su* *Shankar*

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25 Company is created for promotion of Digital business carried on by other group companies. Management believes that an investment is made in the group companies as it is not an NBFC and the relevant rules & regulations of RBI are not applicable

26 Deferred Tax - In absence of virtual certainty of future profitability company has not accounted for any deferred tax assets

27 Gratuity & other retirement benefits

Gratuity & other retirement benefits disclosure in accordance with Accounting Standard AS-15 on "Employee Retirement Benefit" issued by the ICAI is given as under:

Particulars	Gratuity		Leave Encashment	
	For the year ended Mar 17	For the year ended Mar 17	For the year ended Mar 16	For the year ended Mar 16
Current Service Cost	561,419	804,554	615,149	521,863
Past Service cost -				
Interest Cost	19,519	49,742		
Net Actuarial Loss/(Gain)	267,419	602,562		
Total Expenses included in statement of P&L	848,417	1,457,858	615,149	521,863
Defined benefit obligation	1,496,566	1,527,881	615,149	521,863
Fair value of plan assets				
Funded status: (over)/deficit	1,496,566	1,527,881	615,149	521,863
Unfunded defined benefit obligation				
Past service cost not yet recognized				
Unrecognized assets due to limit in para 27(B)				
Liability/Asset recognised in Balance Sheet	1,496,566	1,527,881	615,149	521,863
Current Liability	1,229	1,235		484
Provision Liability	1,295,337	1,526,646	615,149	521,379
Non Current Assets				
Total	1,496,566	1,527,881	615,149	521,863

28 Escalate in Foreign Exchange

Particulars	For the year ended Mar 17
Earnout From sale of Digital books	469,253
Total	469,253

29 Expenditure in Foreign Currency

Particulars	For the year ended Mar 17
Travel/In Expenses	44,056
Conference & Exhibition expenses	114,433
Total	158,489

30 Details of Specified Bank Notes (SBN) held and transacted during the period 09 November 2016 to 30 December 2016 is as recorded in the table below:

Particulars	SBNs		Total
	(Amount in Rs.)	Other denomination notes (Amount in Rs.)	
Closing balance as at 9 November 2016	426,000	3,965	429,965
Transactions between 9 November 2016 to 30 December 2016			
Add: receipts for permitted transactions	-	-	-
Add: withdrawal from bank accounts	-	150,000	150,000
Add: receipts for non-permitted transactions	-	-	-
Less: paid for permitted transactions	(21,000)	(117,941)	(138,941)
Less: paid for non-permitted transactions	-	-	-
Less: deposited in bank accounts	(405,000)	-	(405,000)
Closing balance as at 30 December 2016	-	36,024.00	36,024.00

For Madan & Associates  
Chartered Accountants  
Firm Regd. No. 000185N

*M. K. Madan*  
M. K. Madan  
PROPRIETOR  
Membership No. 82214

Place: New Delhi  
Date: 08/06/2017



For and on behalf of Board of Directors

*Savir Mittal*  
Savir Mittal  
Director  
DIN: 01402533

*Shobha Dhamija*  
Shobha Dhamija  
Company Secretary  
Mem No: A29705

*Samir Khurana*  
Samir Khurana  
Director  
DIN: 02978650

*Rakesh Kumar Sharma*  
Rakesh Kumar Sharma  
Chief Financial Officer

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## **MADAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

Flat No.1003, 10<sup>th</sup> Floor  
Kailash Building, K.G. Marg  
New Delhi-110001  
PH:30487347, 23327345  
PAN: AAAPM5122B  
e-mail: bahlrn@yahoo.co.in

### **INDEPENDENT AUDITOR'S REPORT**

**To the members of DS Digital Private Limited**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **DS Digital Private Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

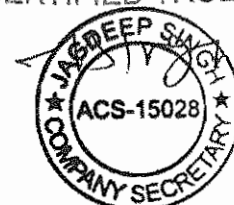
#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone 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.



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We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 the 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 financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



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- (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in, "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. the Company has provided requisite disclosures in its financial statements regarding holding and dealings in Specified Bank Notes as define in the Notification S. O. 3407(E) dated 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016. Based on the representations provided to us by the management, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. Refer Note 30 to the financial statements.

*For Madan & Associates*

*Chartered Accountants*

Firm's registration number: 000185N

*M. K. Madan*

**M. K. Madan**

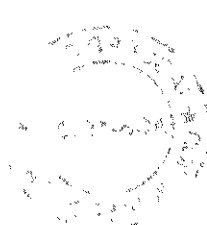
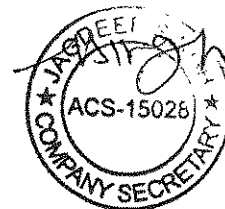
*Proprietor*

Membership number: 082214



Place: New Delhi  
Date: 08.06.2017

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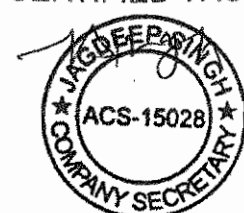
## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) In respect of fixed assets:
- (a) The Company has maintained records showing particulars, including quantitative details and situation of fixed assets. Description / Model No. / Identification No. of Assets are not recorded in the register. It is informed that records are being updated.
- (b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the said programme, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification. In respect of fixed assets given on operating lease to various school, company has initiated the process of physical verification of assets and is hopeful of completing the same within a span of 3 years. The reconciliation of physical verification with financial records is in progress.
- (c) Company does not have any immovable property and therefore requirements of title deeds as per para 3(i)(c) of the order are not applicable.
- (ii) In respect of its inventories:
- (a) As explained to us, inventories have been physically verified during the year by the Management at close of the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3 (iii) of the Order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us and certified by the company loans and investments made are in compliance of section 185 and 186 of the act.
- (v) According to the information and explanation given to us, the company has not accepted any deposits during the year.
- (vi) Requirement of maintenance of cost records are not applicable to the company.



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(vii) In respect of statutory dues:

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has generally been regular in depositing undisputed statutory dues, including provident Fund, Employees Statc insurance, income tax, sales tax, service tax, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31.03.2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, value added tax, cess which have not been deposited as at 31.03.2017 on account of any dispute except as follows :

Sl No.	Name of Statute	Nature of Dues	Amount Rs/lacs	Forum where dispute is pending.
1	U.P. Vat Act, 2008	Penalty u/s 54 (1) in FY 2012 -13	27.50	Appeal filed under U.P.Vat Status as on date note available.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government during the year.
- (ix) In our opinion and according to the information and explanation given to us, the term loans have been applied by the company during the year for the purposes for which they were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not paid/provided any managerial remuneration within the meaning of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177



and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for Madan & Associates  
Chartered Accountants  
Firm's registration number: 0185N

*M.K. Madan*

**M. K. Madan**  
Proprietor

Membership number: 082214

Place: New Delhi  
Date: 08.06.2017



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## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **DS Digital Private Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

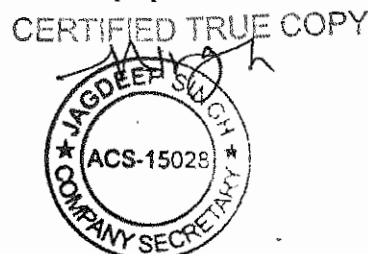
#### **Auditors' Responsibility**

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 on Audit of Internal Financial Controls over Financial Reporting (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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi  
Date: 08.06.2017



*For Madan & Associates*  
*Chartered Accountants*  
Firm's registration number: 000185N

*M. K. Madan*

**M. K. Madan**  
*Proprietor*

Membership number: 082214  
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**DS DIGITAL PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH,2017**

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	3	568,993,200	408,993,200
(b) Reserves and Surplus	4	(319,585,773)	(253,663,814)
<b>2 Non-current Liabilities</b>			
(a) Long-term Borrowings	5	70,380,315	71,788,000
(b) Long-term Provisions	6	4,633,119	3,166,638
<b>3 Current Liabilities</b>			
(a) Short-term Borrowings	7	27,985,552	33,878,860
(b) Trade Payables	8	135,040,893	78,080,347
(c) Other Current Liabilities	9	39,244,316	134,168,352
(d) Short-term Provisions	10	1,516,484	1,345,696
<b>TOTAL</b>		<b>528,208,105</b>	<b>477,757,278</b>
<b>II. ASSETS</b>			
<b>Non-current Assets</b>			
<b>1 (a) Fixed Assets</b>			
(i) Tangible Assets	11 (a)	90,714,331	90,920,633
(ii) Intangible Assets	11 (b)	146,577,266	127,476,888
(iii) Intangible assets under Development	11 (c)	20,060,340	19,324,253
(b) Deferred Tax Assets (Net)	12	97,474,119	97,474,119
(c) Long-term Loans and Advances	13	3,842,384	3,488,634
<b>2 Current Assets</b>			
(a) Inventories	14	7,571,718	2,761,986
(b) Trade Receivables	15	141,566,073	116,590,242
(c) Cash and Cash Equivalents	16	6,064,011	6,833,511
(d) Short-term Loans and Advances	17	14,337,862	12,887,013
<b>TOTAL</b>		<b>528,208,105</b>	<b>477,757,278</b>

**III Significant Accounting Policies**

2

The accompanying notes 1 to 30 are an integral part of the financial statements.  
As per our report of even date.

For Madan & Associates  
Chartered Accountants  
Firm Regs. No. 000185N

M. K. Madan  
PROPRIETOR  
Membership No. 82214

Place : New Delhi  
Date : 08/06/2017

For and on behalf of Board of Directors

Himanshu Gupta  
Director  
DIN : 00054015

Atul Nischal  
Director  
DIN : 02071693

Mona Kaushik  
Company Secretary  
ACS- 25230

Brahmdutt Sharma  
Chief Financial Officer





**DS DIGITAL PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2017**

PARTICULARS	Note No.	For the year ended 31 March 2017	For the year ended 31 March 2016
I. Revenue From Operations	18	292,714,580	234,032,261
II. Other income (net)	19	478,793	298,073
III. Total Revenue (I +II)		<u>293,193,373</u>	<u>234,330,334</u>
IV. Expenses			
(a) Purchase & Implementation Cost	20	117,506,790	42,257,793
(b) Changes in inventories of finished goods, work-in-progress and stock in trade	21	(4,809,732)	(1,020,881)
(c) Employee benefit expense	22	72,098,389	56,875,462
(f) Other expenses	24	42,258,741	43,670,424
(g) Selling & Distribution expense	25	49,102,389	41,784,450
Total Expenses		<u>276,156,576</u>	<u>183,567,248</u>
V. Profit Before Interest Depreciation and Taxes (PBDIT)		17,036,796	50,763,086
(d) Finance Cost	23	17,645,881	21,512,935
(h) Lease Charges	26.1(B)	16,260,048	21,486,953
(e) Depreciation	11	49,052,826	40,834,415
VI. Profit /(Loss) before Tax (III - IV)		(65,921,959)	(33,071,216)
VII. Tax Expenses:			
Current Tax		-	-
Deferred Tax		-	-
VIII. Profit /(Loss) for the period		<u>(65,921,959)</u>	<u>(33,071,216)</u>
Earnings per Equity Share (of Rs 10/- each)	26.2	(1.90)	(0.17)

The accompanying notes 1 to 30 are an integral part of the financial statements.

For Madan & Associates  
Chartered Accountants  
Firm Regs. No. 000185N

*M. K. Madan*  
M. K. Madan  
PROPRIETOR  
Membership No. 82214

For and on behalf of Board of Directors

*Hiranshu Gupta*  
Hiranshu Gupta  
Director  
DIN : 00054015

*Atul Nischal*  
Atul Nischal  
Director  
DIN : 02071693

*Mona Kaushik*  
Mona Kaushik  
Company Secretary  
ACS - 25230

*Brahmdutt Sharma*  
Brahmdutt Sharma  
Chief Financial Officer

Place : New Delhi  
Date : 08/06/2017



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**DS DIGITAL PRIVATE LIMITED**  
Statement of Cash Flows  
Period Ended March 31st, 2017

	<u>31.03.2017</u> Amount (Rs.)	<u>31.03.2016</u> Amount (Rs.)
<b>Cash Flows provided by operating activities</b>		
Net Loss	(65,921,959)	(33,071,217)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	49,052,826	40,834,415
Finance Cost	17,451,225	-
Provision for Gratuity and Leave Encashment	1,637,269	1,913,096
Provision for doubtful accounts	4,165,359	2,624,142
	6,384,721	12,300,436
Changes in assets & liabilities:		
Prepaid and other current & non current assets	(30,945,790)	(50,801,018)
Inventories	(4,809,732)	(1,020,881)
Accounts payable with short term Liabilities	(43,966,320)	14,411,140
Accruals & other liabilities long term	1,466,481	63,161,474
Deferred revenue Expenditure	-	-
<b>Net cash provided by operating activities</b>	(71,870,641)	38,051,150
<b>Cash flows used in investing activities:</b>		
Purchase of property and equipment	(68,682,988)	(34,046,908)
Net cash acquired on acquisition of business	-	-
Purchase of investments	-	-
<b>Net cash used in investing activities</b>	(68,682,988)	(34,046,908)
<b>Cash flows from financing activities:</b>		
Capital from shareholders	160,000,000	-
Short term borrowings	2,325,392	-
Interest Paid	(17,451,225)	-
Bank/Financial Institutional/Other borrowings	(5,090,036)	-
<b>Net cash provided by financial activities</b>	139,784,131	-
Effects of Exchange rates on cash	-	-
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	(769,500)	4,004,243
<b>Supplementary Disclosure of cash flow information</b>		
Income taxes paid	-	-
Opening cash	6,833,511	2,829,268
Closing cash	6,064,011	6,833,511
Increase (Decrease)	(769,500)	4,004,243

For Madan & Associates  
Chartered Accountants

*M. K. Madan*

M. K. Madan  
PROPRIETOR  
Firm Regs. No. 000185N



Place : New Delhi  
Date : 08/06/2017

For and on behalf of Board of Directors

*Himanshu Gupta*  
Himanshu Gupta  
Director  
DIN : 00054015

*Atul Bischal*  
Atul Bischal  
Director  
DIN : 02071693

*Mona Kaushik*  
Mona Kaushik  
Company Secretary  
ACS-25230

*Brahmdutt Sharma*  
Brahmdutt Sharma  
Chief Financial Officer

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**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**  
**FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH, 2017**

**1. ACCOUNTING CONVENTIONS**

- a) The accounts are prepared on the historical cost convention on the basis of going concern and in accordance with the accounting standards referred & prescribed by the Companies Act, 2013.
- b) The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis. Commission and incentives in respect of Export sales are accounted for on the basis of amount realised. Income from pre school educational activity are accounted for on receipt basis.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**A. Valuation of Inventory**

Items of inventories are measured at lower of cost or net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase and other costs incurred in bringing them to their respective present location and condition. Cost for the purpose of valuation of Inventory is determined in accordance with the method prescribed by the Accounting Standard AS-2 on 'Valuation of Inventories' issued by the Institute of Chartered Accountants of India (ICAI).

**B. Cash and Cash equivalents**

Cash and cash equivalents in the statement comprise cash at bank and in hand.

**C. Prior Period Items**

Prior Period items are disclosed separately in the statement of profit & loss for the period, keeping in view their materiality and the method of accounting.

**D. Exceptional and Extra-ordinary Items**

Exceptional and extra-ordinary items of the Company during the period are disclosed separately in the statement of profit and loss for the period, as part of net profit.

**E. Depreciation and amortization**

a) Depreciation on tangible fixed assets is calculated on a Straight Line Method using the useful life as prescribed in Schedule II to the Companies Act, 2013 in respect of assets which are used during the period, and on prorata basis for assets acquired and put to use during the period except for Computers & Pheripherals whose useful life is estimated 6 years based on the past experience in providing hardwares to various schools.

b) Intangible fixed assets are amortized on a straight-line basis over the estimated useful economic life in respect of assets which are used for full period, and on prorata basis for assets acquired / recognized and put to use during the period. If there is a significant change from previous estimates in the expected pattern of economic benefits from the asset, the amortization period and method are changed accordingly to reflect the changed pattern. Currently, Intangibles are amortized over a period of 10 years i.e. maximum period permitted under AS-26 issued by the ICAI.

**F. Revenue Recognition**

- a) All incomes and expenses are accounted for on accrual and prudent basis. Revenue in respect of insurance / other claims, interest, commission, etc. is recognised only when it is reasonably certain that the ultimate collection will be made.
- b) Domestic sale of goods is recognised on transfer of significant risk and rewards of ownership.
- c) Income from Customised Interactive Content is recognised on completion of Initial Training at the School premises in case of Domestic Schools and on the basis of installation of software in International Schools. W.e.f. October 2016, Company has stopped recognising revenue in respect of school whose outstanding exceed one year, the evaluation being done on monthly basis.

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**G. Tangible Fixed Assets**

**a) Own Fixed Assets:**

- (i) Tangible fixed assets are stated at cost. Cost includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including expenditures and levies directly attributable to bringing the assets to their working condition for the intended use. VAT paid in respect of fixed assets purchased is included in the costs and accordingly no credit is taken.

**H. Foreign Currency Transactions**

- a) The financial statements are reported in INR (Indian National Rupee), which is also the functional and local currency of the company.
- b) Transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the balance sheet date. The resultant exchange gains or losses are included in the statement of Profit & Loss.

**I. Employee Benefits**

**a) Defined Contribution Plans**

The Company records expense for defined contribution Plans for the Company's contribution when the employee renders service to the company, essentially coinciding with the cash contributions to the plans. The contribution to the provident fund is a statutory liability required by Employees Provident Fund Act, 1952.

The Company records expense for defined contribution Plans for the Company's contribution when the employee renders service to the company, essentially coinciding with the cash contributions to the plans. The contribution to the provident fund is a statutory liability required by Employees Provident Fund Act, 1952.

**b) Defined Benefit Plans – Gratuity/Leave Encashment**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Liability with regard to gratuity plan is determined by actuarial valuation at each balance sheet date using the projected unit credit method. Actuarial gain or loss is recognized in statement of operations as and when incurred.

Leave encashment liability is recognised on the basis of Actuarial valuation.

**J. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue in the period in which they are incurred.

**K. Leases**

Company have an operating lease with Hybrid nature where principal part represents operating Lease/ Rent and interest part, which are accounted by the Company accordingly in their respective heads of accounting.

**L. Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred taxation is provided on temporary difference arising due to depreciation as per financial reporting purpose and the amount used for taxation purposes. A deferred tax as an asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax is determined using the tax rates that have been enacted or substantively enacted by the balance sheet date.



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**M. Intangible Assets**

Intangible assets are recognized if they are separately identifiable and future economic benefits arising out of them are controlled by entity. Cost of Intangible assets is determined as under:-

- a) Direct Cost of acquisition.
- b) Salary of employees and administrative expenses related to these employees working on the development of content.

**N. Impairment of Tangible and Intangible Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss during the period in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**O. Use of Estimates.**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

**P. Provision, Contingent Liabilities and Contingent Assets.**

- a) Provisions are recognised for liabilities that can only be measured by using a substantial degree of estimation, if,
  - i) the Company has a present obligation as a result of a past event,
  - ii) a probable outflow of resources is expected to settle the obligation, and
  - iii) the amount of obligation can reliably be estimated.Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will ultimately be received.
- b) Contingent Liability is disclosed in case of
  - i) a present obligation arising on past events, when it is not probable that an outflow of resources will be required to settle the obligation,
  - ii) a present obligation, when no reliable estimate is possible, and
  - iii) a possible obligation arising from past events, where the probability of outflow of resources is not remote.
- c) Contingent Assets are neither recognised nor disclosed.
- d) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each balance sheet date.

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3 **SHARE CAPITAL**

	31st March, 2017		31st March, 2016	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b>a) Authorised:</b>				
Equity shares of Rs. 10/- each	37,000,000	370,000,000	37,000,000	370,000,000
Preference shares of Rs. 10/- each	23,000,000	230,000,000	8,000,000	80,000,000
	<u>60,000,000</u>	<u>600,000,000</u>	<u>45,000,000</u>	<u>450,000,000</u>
<b>b) Issued, subscribed and fully paid-up share capital:</b>				
Equity shares of Rs. 10/- each	34,728,920	347,289,200	34,728,920	347,289,200
Preference shares of Rs. 10/- each	22,170,400	221,704,000	6,170,400	61,704,000
	<u>56,899,320</u>	<u>568,993,200</u>	<u>40,899,320</u>	<u>408,993,200</u>

3.1 Reconciliation of Number of shares:

	31st March, 2017		31st March, 2016	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b>Equity Shares:</b>				
Shares outstanding at the beginning of the period	34,728,920	347,289,200	34,728,920	347,289,200
Issued During the Period	-	-	-	-
Shares outstanding at the end of the period	<u>34,728,920</u>	<u>347,289,200</u>	<u>34,728,920</u>	<u>347,289,200</u>
<b>Preference Shares:</b>				
Shares outstanding at the beginning of the period	6,170,400	61,704,000	6,170,400	61,704,000
Issued During the Period*	16,000,000	160,000,000	-	-
Shares outstanding at the end of the period	<u>22,170,400</u>	<u>221,704,000</u>	<u>6,170,400</u>	<u>61,704,000</u>

\* 1% optionally convertible non-cumulative, non-participating preference shares.

3.2 Rights, Preferences and Restrictions attached to Shares:

The Company has only one class of equity shares and one class of Preference shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

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

3.4 Details of share held by shareholders holding more than 5% shares in the company :

	31st March, 2017		31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity shares of Rs. 10/- each fully paid-up</b>				
S Chand and Company Ltd	17,686,750	50.93	17,686,750	50.93
Safari Digital Education Initiatives Pvt Ltd	17,017,165	49.00	17,017,165	49.00
<b>Preference shares of Rs. 10/- each fully paid-up</b>				
S Chand and Company Ltd	16,000,000	72.17	-	-
Safari Digital Education Initiatives Pvt Ltd	6,170,400	27.83	6,170,400	100.00



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	As at 31 March 2017	As at 31 March 2016
<b>4 Reserves &amp; Surplus</b>		
Surplus/ (Deficit) in Statement of Profit & Loss		
Opening Balance	(253,663,814)	(220,392,598)
Add: Profit/(Loss) during the period	(65,921,959)	(31,071,217)
Closing Balance	<u>(319,585,773)</u>	<u>(253,663,814)</u>
<b>5 Long-Term Borrowings</b>		
Secured Loans- Term Loan (Others)		
Siemens Financial Services Pvt Ltd (Note 5.1)	23,186,122	27,973,366
Less: Current maturities of long term debts (Refer note-9)	14,975,286	13,006,045
	8,210,836	14,967,321
Unsecured Loans		
Safari Digital Education Initiatives Pvt Ltd (Note 5.2)	62,169,479	56,820,679
	<u>70,380,315</u>	<u>71,788,000</u>
5.1 Charged against the specific Movable Fixed Assets of the Company.		
5.2 Includes Interest Bearing Loan for Rs 5,36,00,000/- (Previous Period - 5,36,00,000/-) and interest accrued of Rs. 85,69,479/- (Previous Period 32,20,679/-).		
<b>6 LONG TERM PROVISIONS</b>		
Provision For employees benefits		
Gratuity	2,492,869	1,706,748
Leave Encashment	2,140,250	1,459,890
	<u>4,633,119</u>	<u>3,166,638</u>
<b>7 SHORT TERM BORROWINGS</b>		
Secured Loan		
Cash Credit (refer note 7.1)	22,204,920	15,363,687
Sales Invoice Discounting	-	10,296,473
Unsecured Loan		
Safari Digital Education Initiatives Pvt Ltd (Interest free)	5,780,632	8,218,700
	<u>27,985,552</u>	<u>33,878,860</u>

7.1 Exclusive charge on specific current assets and movable fixed assets (other than in note 5.1) of the company.

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	As at 31 March 2017	As at 31 March 2016
<b>8 TRADE PAYABLES</b>		
Trade Creditors	135,040,893	78,080,347
	<u>135,040,893</u>	<u>78,080,347</u>
<b>9 OTHER CURRENT LIABILITIES</b>		
(i) Income Received in advance (Refer note 9.2)	5,461,673	4,775,586
(ii) Duties & Taxes Payable	4,078,698	6,884,237
(iii) Expenses payable	6,783,223	1,783,136
(iv) Employee Benefits Payable	5,377,526	5,624,265
(v) Current maturities of term loan obligations (Refer note-5)	14,975,286	13,006,045
(vi) Others Liabilities (Refer note 9.1)	2,567,908	102,095,083
	<u>39,244,316</u>	<u>134,168,352</u>
9.1 Rs. 100,420,830/- classified as long term liabilities from sister concern at year ended March'16 has been regrouped under other current liabilities, and has been repaid from the proceeds of issue of redeemable preference shares.		
9.2 As certified by management.		
<b>10 SHORT TERM PROVISIONS</b>		
<u>Provision For employees benefits</u>		
Gratuity	288,164	210,707
Leave Encashment	420,565	301,108
Bonus	807,755	833,881
	<u>1,516,484</u>	<u>1,345,696</u>
<b>12 DEFERRED TAX ASSETS (Net)</b>		
<u>Tax effect on items constituting deferred tax liabilities</u>		
On difference between book balance and tax balance of fixed assets	24,716,189	24,716,189
Total DTL	24,716,189	24,716,189
<u>Tax effect on items constituting deferred tax assets</u>		
On brought forward losses of income tax	55,667,627	55,667,627
On brought forward depreciation of income tax	66,522,682	66,522,682
Total DTA	122,190,308	122,190,308
Deferred Tax Asset (net)	<u>97,474,119</u>	<u>97,474,119</u>

12.1 No further deferred tax assets has been recognised during the period despite increase in revenue following principle of conservatism.

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DS DIGITAL PRIVATE LIMITED  
 (Formerly S CHAND HARCOURT INDIA PVT LTD.)

11. FIXED ASSETS SCHEDULE (As per Companies Act)

Financial Year: 2015-16 (Month: 31/03/2016) - Ro.G.C. VASUDEVA INDRAPURAM, MADRAS NAGAR

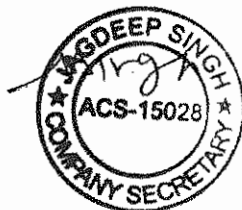
S.NO.	DESCRIPTION OF ASSETS	CLOSING BALANCE		ADDITIONS DURING THE YEAR		DISPOSALS DURING THE YEAR		DEPRECIATION		CLOSING BALANCE		NET BALANCE	
		31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
(A)	Intangible Assets												
1	Patent Rights & Software	1,331,359	308,443	-	-	-	-	1,020,268	-	4,101,627	4,914,699	7,685,277	8,637,443
2	Other Intangibles	3,895,956	194,562	-	-	-	-	509,023	-	1,828,831	3,397,176	1,696,643	2,671,117
3	Goodwill & Other Intangibles	168,055,546	32,646,227	-	-	-	-	24,090,118	-	81,692,380	1,05,293,311	97,860,215	8,39,166
4	Other Intangibles	308,764	-	-	-	-	-	45,378	-	45,378	339,453	261,371	465,916
5	Patent & Machinery	1,522,472	-	-	-	-	-	122,543	-	407,600	312,143	1,019,327	1,113,472
	Total	179,111,869	76,999,339	-	-	-	-	28,718,692	-	28,718,692	115,398,458	29,714,331	39,828,632
(B)	Tangible Assets												
1	Plant & Machinery (Gross)	220,424,571	41,333,493	-	-	-	-	22,072,413	-	84,102,611	17,268,623	144,695,338	183,333,800
2	Computer Software	3,453,308	-	-	-	-	-	378,792	-	1,489,644	1,868,384	1,871,843	3,057,644
3	Computer Software	146,900	90,000	-	-	-	-	28,336	-	83,847	124,400	113,297	60,833
4	Computer Software	28,728	414,000	-	-	-	-	147,703	-	329	148,694	385,686	29,431
	Total	253,033,207	41,737,493	-	-	-	-	22,597,213	-	86,366,201	18,286,472	146,977,264	187,487,688
(C)	Capital Development in Progress												
1	Current IIP	19,208,613	39,661,509	41,203,500	-	-	-	-	-	-	-	17,634,319	19,208,613
	Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-	-
	Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-
	CONTRACTS	98,118	-	-	-	-	-	-	-	-	-	98,118	-
	Preoperative Expenses	297,633	1,277,000	-	-	-	-	-	-	-	-	1,674,633	2,074,633
	Total	19,208,613	40,938,509	41,203,500	-	-	-	-	-	-	-	18,807,070	20,283,246
	Current Year Total	45,478,671	119,914,592	41,203,500	-	-	-	29,290,905	-	86,586,977	214,069,731	297,881,934	317,721,793

11.1 Pre-operative expenses represent professional fees, salary and other revenue expenses in respect of the Learning Centre-Growth-Feedback. Total not was started in July 16 and has continued till Mar 17.  
 11.2 Current Development in Progress includes I.T./ITP on account of employee benefit expenses capitalized during the year. During the year Rs. 19.46 lacs being 50% of salary of business head has been capitalized as capital Rs. Nil. in previous year.



	As at 31 March 2017	As at 31 March 2016
<b>13 LONG TERM LOANS &amp; ADVANCES</b>		
Security Deposits (Refer note 13.1)	3,842,384	3,488,634
	<u>3,842,384</u>	<u>3,488,634</u>
13.1 Includes Rs. 11 Lacs paid towards levy of penalty of Rs. 27.50 Lacs under UPVAT act.		
<b>14 INVENTORIES</b>		
(As taken, valued and certified by the Management)		
(i) Computer & Peripherals	6,689,773	1,796,055
(ii) Go Maths (Kit)	881,945	965,931
	<u>7,571,718</u>	<u>2,761,986</u>
<b>15 TRADE RECEIVABLES</b>		
More than six months	76,350,851	55,077,072
Less: Provision for doubtful debts (Refer note 15.1)	<u>12,326,116</u>	<u>8,160,757</u>
	64,024,734	46,916,315
Others (Less than 6 Months) (Refer Note 26.3)	77,541,339	69,677,927
	<u>141,566,073</u>	<u>116,590,242</u>
Unsecured, considered good	141,566,073	116,590,242
Considered Doubtful	-	-
	<u>141,566,073</u>	<u>116,590,242</u>
15.1 Management has provided 25% of Domestic outstanding for more than one year of Rs 493 Lacs (PY Rs 368 Lacs).		
15.2 In absence of confirmation from the debtors amount is considered good by the management.		
<b>16 CASH AND BANK BALANCES</b>		
<u>Cash and cash equivalents shall be classified as:</u>		
(i) Balances with banks	6,026,726	6,793,982
(ii) Cash in hand	37,283	39,529
	<u>6,064,010</u>	<u>6,833,510</u>
<b>17 SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received:		
(i) Balances with Government authorities:		
Advance Taxes, TDS & Other Receivable	6,863,074	8,047,188
Vat Recoverable	1,883,244	149,165
Service Tax Recoverable	258,895	76,025
(ii) Employees Imprest	1,456,645	1,414,303
(iii) Advances to suppliers	1,829,921	2,656,792
(iv) Prepaid Expenses (Refer note 17.1)	2,046,085	543,340
	<u>14,337,864</u>	<u>12,887,613</u>
17.1 Includes Rs. 1.50 lacs towards professional services (for GST assessment) vide invoice dated 24/03/17, same is considered as prepaid as the final report of the consultant is yet to be received.		

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	For the period ended 31 March 2017	For the period ended 31 March 2016
<b>18 Revenue From Operations</b>		
a) <u>Sale of Products</u>	131,266,158	45,125,440
b) <u>Sale of Services</u>		
Customised Interactive Education Services (Refer Note 18.3)	142,930,000	179,714,164
Sale of Warranty	-	588,777
Eureka Science/English Labs - Set up Fees	52,174	262,008
Income From Pre School Educational Activity (Refer note 18.2)	13,450,409	8,341,872
Other Operational Income- Export Incentive	5,015,839	-
	<b>292,714,580</b>	<b>234,032,261</b>
<b>18.1 Products wise sale breakup</b>		
Computer & Peripherals	131,163,225	44,103,033
Maths and Science Labs (Kit)	102,933	1,022,407
	<b>131,266,158</b>	<b>45,125,440</b>
<b>18.2</b> Income from Pre school activities are booked on receipt basis.		
<b>18.3</b> Includes income of Rs. 51.30 lacs pertaining to Apr & May'17. The income has been accounted on the ground that company has raised the invoices in month of Oct'16 on six monthly basis and payment has been received.		
<b>19 Other Income</b>		
Other Income	51,473	102,069
Profit on Sale of fixed assets	20,000	115,934
Interest on Income tax refund	407,320	80,070
	<b>478,793</b>	<b>298,073</b>
	<b>For the period ended 31 March 2017</b>	<b>For the period ended 31 March 2016</b>
<b>20 Purchase &amp; Implementation Cost</b>		
Computer & Peripherals	116,763,181	41,630,042
E Books	124,983	-
Science Labs (Kit)	304,916	627,751
English Labs (Kit)	313,710	-
	<b>117,506,790</b>	<b>42,257,793</b>
<b>21 Increase (Decrease) in Inventories</b>		
<u>Opening Stock</u>		
Trade Items	2,761,986	1,741,104
<u>Closing Stock</u>		
Trade Items	7,571,718	2,761,986
(Increase)/ Decrease in Stock	<b>(4,809,732)</b>	<b>(1,020,881)</b>
<b>22 Employee Benefit Expense</b>		
Salaries, Wages, Allowances	59,434,838	40,249,964
Provident Fund & ESI	2,208,733	3,160,501
Staff Welfare and Medical Insurance	1,367,343	1,077,654
Gratuity	909,732	616,697
Leave encashment	1,006,988	901,242
Stipend - Management Trainees	-	5,895,751
Bonus and Exgratia	902,976	1,483,544
Other Benefits to Staff	6,267,779	3,490,109
	<b>72,098,389</b>	<b>56,875,462</b>
<b>23 Finance Cost</b>		
Interest	16,878,725	21,260,197
Bank Charges	767,156	252,738
	<b>17,645,881</b>	<b>21,512,935</b>
<b>24 Other Expenses</b>		
Foreign Exchange Rate Difference	534,511	(78,463)
Office Expense	4,070,800	3,084,116
Professional /Consultancy charges	1,911,337	4,296,390
Conveyance Expenses	490,989	476,562
Electricity & Genset Expenses	2,173,867	2,109,970

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Repair & Maintenance	6,320,893	5,451,590
Office Stationery	612,221	569,177
Telephone	1,133,816	746,557
Rent	8,764,848	8,076,810
Auditor's Remuneration:		
For Audit	550,000	450,000
For Tax Representation	-	-
Reimbursement of expenses	7,833	7,256
Loss on sale of Capital Asset/Assets Written off	-	518,699
Amount written off	217,334	(158,088)
Insurance Expenses	104,132	232,012
Rates & Taxes (Refer note 24.1)	1,842,617	544,798
Provision For Doubtful Debts	6,888,502	8,160,757
Bad Debts written off	-	2,594,218
School Van Running Expns	1,966,577	1,814,965
Miscellaneous Expenses (Refer note 24.2)	4,668,464	4,773,099
	<u>42,258,741</u>	<u>43,670,424</u>

24.1 It includes Rs.13.50 lacs for increase in authorised share capital of the company.

24.2 It includes Rs.11.62 lacs for security charges, Rs. 9.46 lacs for recruitment charges, Rs. 6.19 lacs for courier charges, Rs. 5.59 lacs for internet charges and Rs. 3.31 lacs for collection incentive.

**25 Selling & Distribution Expenses**

Advertisement & Publicity & conference	4,644,488	7,612,281
Prior Period Expense	360,138	-
Travelling & Boarding	24,193,535	18,207,122
Freight, Cartage and Installation Expenses	5,120,521	3,328,521
Marketing ,Branding and Commission Expenses (Refer note 25.1)	12,026,407	10,013,917
Business Promotion	302,562	664,805
Discount Allowed	2,454,738	1,437,804
	<u>49,102,389</u>	<u>41,784,450</u>

25.1 Excludes commission of Rs. 10.85 lacs in respect of money realised in advance towards services rendered in the month of April & May 2017. Commission on export services is normally accounted on realisation of payment of services.

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26 Disclosure under prescribed Accounting Standards:

26.1 Detail of Leasing Agreement:

(A) Operating Lease:

(i) Lease payment recognised in the Statement of profit and loss for the year are as under:

	For the period ended 31 March, 2017	For the year ended 31 March, 2016
For Computer hardware	16,260,048	21,486,953

26.2 EARNING PER SHARE (EPS)

In determining earning per share the company has considered profit after tax (PAT). Number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the period. There were no dilutive potential equity shares during the year and accordingly basic & diluted earning per share is the same. Accordingly, as per Accounting Standard - 20 on "Earning per Share" issued by "The Institute of Chartered Accountants of India", EPS has been computed as under:

	31/03/2017 Amount (Rs.)	31/03/2016 Amount (Rs.)
Total operations for the year		
Profit / (loss) after tax	(65,921,959)	(33,071,217)
Less: Dividends & dividend tax on other than equity shares	-	-
Net profit / (loss) for calculation of Basic EPS	<u>(65,921,959)</u>	<u>(33,071,217)</u>
Net profit as above	(65,921,959)	(33,071,217)
Add : Dividends & dividend tax on other than equity shares	-	-
Net profit / (loss) for calculation of Diluted EPS	<u>(65,921,959)</u>	<u>(33,071,217)</u>
Weighted average number of equity shares in calculating Basic EPS	<u>34,728,920</u>	<u>34,728,920</u>
Weighted average number of equity shares in calculating Diluted EPS	<u>34,728,920</u>	<u>34,728,920</u>
Basic & Diluted Earnings/ (Loss) per share	(1.90)	(0.95)

26.3 Related Party Disclosure

Related Party disclosure in accordance with the Accounting Standard AS-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India is given as under in respect of related parties with whom transactions have taken place:

- a) Related parties and their relationship
- 1) Holding Company
  - 2) Associate Companies / Firms
  - 3) Companies under same Management
  - 4) Director's Subsstantial Shareholdings
  - 5) Key Management Personnel

- S Chand and Company Limited
- Safari Digital Education Initiatives Pvt Ltd
- Educor Technologies India Pvt Ltd
- New Saraswati House (India) Pvt. Ltd.
- Vikas Publishing House Pvt. Ltd.
- S Chand Edutech Pvt Ltd
- Hotel Tourist
- SC Hotel Tourist Deluxe Pvt Ltd
- Amenity Public School
- Mr. Himanshu Gupta
- Mrs. Savita Gupta (till 20th May,2016)
- Mr. Dinesh Kumar Jhunjhunwala
- Mr. Deep Mishra
- Mr. Vishal Sharma (till 23rd November,2016)
- Ms. Mona Kaushik

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Nature of Transactions	Holding Company	Associates	Key Managerial Personnel & their relatives	Companies under Same Management	Directors Substantial Shareholdings
Reimbursement of Expenses S Chand and Company Limited	613,467 (1,790,160)				
Edutor Technologies I Pvt Ltd.				109,390	
Loans and Advances Received					
Safari Digital Education Initiatives Pvt Ltd		7,661,932 (53,600,000)			
Repayment of Loans and Advances received Safari Digital Education Initiatives Pvt Ltd		10,100,000 (1,150,000)			
Purchase of Product/Services Vikas Publishing House Private Limited				131,664 (712,543)	
Hotel Tourist					651,586 (615,899)
S Chand and Company Limited	80,194				
Edutor Technologies India Pvt Ltd				3,740,783 (2,481,399)	
Salary, Perks and Allowances Mons Kaushik			1,087,971 (821,784)		
Interest Expense Safari Digital Education Initiatives Pvt Ltd		6,432,000 (3,578,532)			
S Chand and Company Limited	2,836,198 (10,568,917)				
Operating Lease S Chand and Company Limited	16,260,048 (21,486,953)				
Loans and Advances received as at 31st March 2017					
Safari Digital Education Initiative Pvt. Ltd.		67,950,111 (65,039,379)			
Trade Receivables as at 31st March 2017					
Amenity Public School					227,000 (227,000)
New Saraswati House (India) Private Limited				1,832,849 (6,516,999)	
Vikas Publishing House Private Limited				2,580,971 (9,208,607)	
Trade Payables as at 31st March 2017 Edutor Technologies I Pvt. Ltd.				1,501,881 (101,732)	
S Chand and Company Limited	18,036,743 (48,702,285)				
Hotel Tourist					344,321 (89,750)

(Figures in brackets represents previous year figures)

Note: All these parties has been identified & certified by management.

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26.4 **Contingent Liabilities**

	31/03/2017 Amount (Rs.)	31/03/2016 Amount (Rs.)
A. Claims against the Company not acknowledged as debts		
VAT claim by U. P. VAT Act.	2,750,000	2,750,000
Company has paid Rs 11 Lakhs for levy of penalty U/S 54(1) of U.P. VAT Act. Appeal filed by the company is pending.		

27 **Additional Information**

	31/03/2017 Amount (Rs.)	31/03/2016 Amount (Rs.)
<b>Earnings in foreign exchange:</b>		
A. Export of goods /Services	59,378,107	56,548,032
	<u>59,378,107</u>	<u>56,548,032</u>
<b>Expenditure in foreign currency:</b>		
A. Traveling	4,263,830	5,209,292
B. Marketing/Branding & Commission	6,826,705	5,705,980
	<u>11,090,535</u>	<u>10,915,272</u>

28 **Gratuity & other retirement benefits:**

Gratuity & other retirement benefits disclosure in accordance with AS-15 on "Employee Retirement Benefits" issued by the ICAI is given as under:

Particulars	Gratuity		Leave Encashment	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
<b>Net employee benefit expense recognised in employee cost</b>				
Current service cost	671,579	487,467	801,392	543,710
Interest cost on benefit obligation	146,814	101,459	128,449	74,421
Expected return on plan assets	-	-	-	-
Acquisition/business combination/divestiture	-	-	-	-
Net actuarial (gain) / loss recognised in the year	91,330	27,771	77,147	283,111
<b>Net benefit expense</b>	<b>909,723</b>	<b>616,697</b>	<b>1,006,988</b>	<b>901,242</b>
<b>Actual returns on plan assets</b>				
Expected Return on plan assets	-	-	-	-
Actuarial gain/(loss) on plan assets	-	-	-	-
Actual returns on plan assets	-	-	-	-
<b>Balance sheet</b>				
Benefit asset/ liability	2,781,033	1,917,455	2,560,815	1,760,998
Present value of defined benefit obligation	2,781,033	1,917,455	2,560,815	1,760,998
Fair value of plan assets	-	-	-	-
Plan assets/(liability)	-	-	-	-
<b>Changes in the present value of the defined benefit obligation (DBO)</b>				
Opening defined benefit obligation	1,917,455	1,300,758	1,760,998	1,048,480
Interest cost	148,603	101,459	128,449	74,421
Current service cost	671,579	487,467	801,392	543,710
Acquisition/business combination/divestiture	-	-	-	-
Benefits paid	-	-	(207,171)	(188,724)
Actuarial (gains) / losses on obligation	43,396	27,771	77,147	283,111
<b>Closing defined benefit obligation</b>	<b>2,781,033</b>	<b>1,917,455</b>	<b>2,560,815</b>	<b>1,760,998</b>
<b>Changes in fair value of plan assets</b>				
Opening fair value of plan assets	-	-	-	-
Expected Return	-	-	-	-
Contributions by employer	-	-	-	-
Benefit paid	-	-	-	-
Actuarial gain/(loss)	-	-	-	-
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	6.95%	6.55%	6.05%	6.55%
Discount rate	6.95%	6.55%	6.05%	6.55%
Rate of return on plan assets	N/A	N/A	N/A	N/A
Salary Escalation	6%	6%	6%	6%
Employee turnover	15%	15%	15%	15%
Normal retirement age	60 years	60 years	60 years	60 years
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.



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Amounts for the current and previous three periods are as follows:

	31 March 2017 (Amount in Rs.)		31 March 2016 (Amount in Rs.)		31 March 2015 (Amount in Rs.)	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined benefits obligation	2,781,033	2,560,815	1,917,455	1,760,998	1,300,758	1,048,480
Plan assets	-	-	-	-	-	-
(Surplus)/ Deficit	2,781,033	2,560,815	1,917,455	1,760,998	1,300,758	1,048,480

29 Due to Micro, small and medium enterprises as defined under the MSMED Act, 2006

The Company has requested its various suppliers, who may be the enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, to furnish the relevant registration certificate under that Act, but the said information is yet to be received till date, and hence, in absence of the same, no specific amount of outstanding on account of purchases made / services obtained from such suppliers can be ascertained.

30 Details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 30 December 2016 is as provided in the table below:

Particulars	SBNs	Other	Total
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
Closing balance as at 8 November 2016	2,005,500	253,550	2,259,050
Transactions between 9 November 2016 to 30 December 2016			
Add receipts for permitted transactions	-	20,000	20,000
Add withdrawal from bank accounts	-	480,000	480,000
Add receipts for non-permitted transactions	-	-	-
Less paid for permitted transactions	-	(151,035)	(151,035)
Less paid for non-permitted transactions	-	-	-
Less deposited in bank accounts	(2,005,500)	(460,000)	(2,465,500)
Closing balance as at 30 December 2016	-	142,515	142,515

For Madan & Associates  
Chartered Accountants  
Firm Regs. No. 000185N

*M. K. Madan*

M. K. Madan  
PROPRIETOR  
Membership No. 81214

For and on behalf of Board of Directors

*Himanshu Gupta*  
Director  
DIN 00054015

*Atul Nishal*  
Director  
DIN : 02071693

Place : New Delhi  
Date : 08/06/2017

*Mona Kaushik*

Mona Kaushik  
Company Secretary

ACS-25230

*Brahmdukt Sharma*  
Brahmdukt Sharma  
Chief Financial Officer

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## Independent Auditor's Report

### **The Members**

**Blackie & Son (Calcutta) Private Limited  
New Delhi**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Blackie & Son (Calcutta) Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

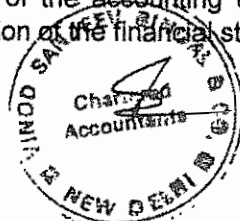
### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone 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 Rules made thereunder.

We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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 financial statements.



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

**Opinion**

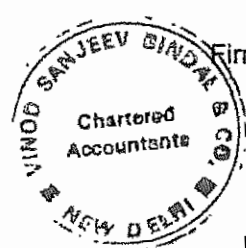
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in "Annexure-A" a statement on matters specified in paragraphs 3 & 4 of the said order, to the extent applicable.
- 2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014;
  - e) on the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of section 164(2) of the Act;
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, no comments thereon are called for.

Shiv Sushil Bhawan  
D-219, Vivek Vihar-I  
New Delhi-110 095  
Dated: 27/05/2017

For VINOD SANJEEV BINDAL & CO.  
Chartered Accountants  
Firm Registration No.012493N



*(Signature)*

(ARVIND MITTAL)  
Partner

Membership No. 509357

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**"ANNEXURE-A" CONTAINING REPORT ON MATTERS REQUIRED BY CARO, 2016**

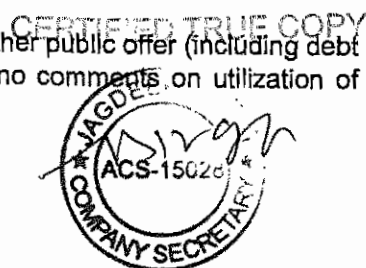
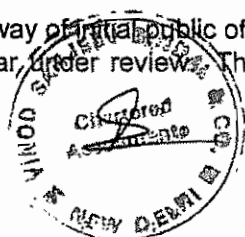
(Referred to in paragraph '1' under 'Report on other Legal and Regulatory Requirement' section of our report of even date)

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) All assets were physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.  
c) Title deeds of all immovable properties belonging to the Company are held in the name of the Company.
2. Inventory has been physically verified during the year by the management and according to the information and explanations given to us, no material discrepancies were noticed on physical verification. In our opinion, the frequency of verification is reasonable.
3. 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 Companies Act, 2013. Accordingly paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, provisions of sections 185 and 186 of the Companies Act, 2013 have been complied with in respect of loans, investments, guarantees and security.
5. The Company has not accepted any deposits from the public.
6. In our opinion and according to the information and explanations given to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. (a) According to the records of the Company and the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other statutory dues applicable to it.  
(b) According to the records of the Company and the information and explanations given to us, no disputed dues of income-tax, sales-tax, service tax, customs duty, excise duty and/or value added tax were outstanding as at the last date of the financial year concerned, except the following:

Name of the statute	Nature of dues	Amount (in Rs Lacs)	Period to which the amount	Forum where dispute is pending
---------------------	----------------	---------------------	----------------------------	--------------------------------

NIL

8. The Company has neither borrowed any funds from financial institution or bank, nor issued debentures. Accordingly, no comments are called for on defaults in repayment of such dues.
9. The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year, under review. Therefore, no comments on utilization of those funds by the Company are called for.



10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.
11. According to the information and explanations given to us, managerial remuneration has been paid or provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule-V to the Companies Act, 2013.
12. The Company is not a Nidhi Company, therefore, no comments are called for in respect of compliance with the provisions of Nidhi Rules, 2014.
13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and the requisite details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. The Company did not make any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, no further comments in this regard are called for.
15. Based upon the audit procedures performed and information and explanations given by the management, we report that that the Company has not undertaken any non-cash transactions with directors or persons connected with him.
16. According to the information and explanations given to us, the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act, 1934.

For VINOD SANJEEV BINDAL & CO.  
Chartered Accountants  
Firm Registration No.012493N



A handwritten signature in black ink, appearing to read "Arvind Mittal".

(ARVIND MITTAL)  
Partner

Membership No. 509357

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Shiv Sushil Bhawan  
D-219, Vivek Vihar-I  
New Delhi-110 095  
Dated: 27/05/2017



## **"ANNEXURE-B" CONTAINING REPORT ON THE INTERNAL FINANCIAL CONTROLS**

*(Referred to in paragraph '2(f)' under 'Report on other Legal and Regulatory Requirements' section of our report of even date)*

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

We have audited the internal financial controls over financial reporting of Blackie & Son (Calcutta) Private Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

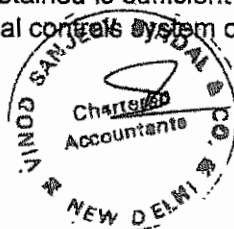
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

#### **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 on Audit of Internal Financial Controls over Financial Reporting (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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

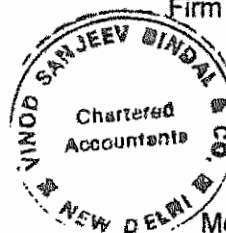
## Inherent Limitations of Internal Financial Controls over Financial Reporting

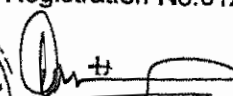
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VINOD SANJEEV BINDAL & CO.  
Chartered Accountants  
Firm Registration No.012493N





(ARVIND MITTAL)

Partner

Membership No. 509357

Shiv Sushil Bhawan  
D-219, Vivek Vihar-I  
New Delhi-110 095  
Dated: 27/05/2017

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**Blackie & Son (Calcutta) Private Limited**  
 Regd. Office : 7361, Ravindra Mansion, Ram Nagar, New Delhi - 110 055  
 (CIN : U74899DL1979PTC014517)

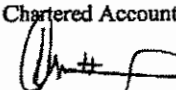
Balance sheet as at 31 March 2017

	Notes	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	149,000	149,000
Reserves and surplus	4	67,378,875	66,224,656
		<u>67,527,875</u>	<u>66,373,656</u>
<b>Non Current liabilities</b>			
Deferred tax liability (net)	5	66,671	43,245
		<u>66,671</u>	<u>43,245</u>
<b>Current liabilities</b>			
Other current liabilities	6	335,595	1,160,713
Short-term Provision	7	560,866	321,997
		<u>896,461</u>	<u>1,482,710</u>
<b>TOTAL</b>		<u>68,491,007</u>	<u>67,899,611</u>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Property, Plant and Equipment	8	108,865	503,981
Non-current investments	9	45,334,214	45,334,214
Loans and advances	10	-	-
		<u>45,443,079</u>	<u>45,838,195</u>
<b>Current assets</b>			
Trade receivables	11	16,482,745	18,249,123
Cash and bank balances	12	1,950,471	222,981
Loans and advances	10	3,200,000	2,062,303
Other current assets	13	1,414,712	1,527,008
		<u>23,047,928</u>	<u>22,061,415</u>
<b>TOTAL</b>		<u>68,491,007</u>	<u>67,899,611</u>
Summary of significant accounting policies	2		

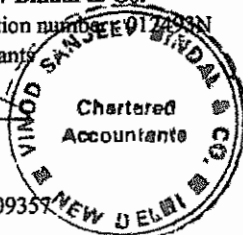
The accompanying notes are an integral part of the financial statements.

As per our report of even date  
 For Vinod Sanjeev Bindal & Co.

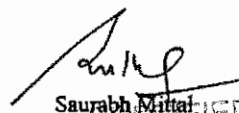
ICAI Firm registration number 012003N  
 Chartered Accountants

  
 per Arvind Mittal  
 Partner

Membership No. 509357



For and on behalf of the Board of Directors of  
 Blackie & Son (Calcutta) Private Limited

  
 Saurabh Mittal  
 Director  
 DIN 01402533

  
 Ankita Gupta  
 Director  
 DIN 00054090

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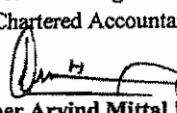
Date: 27th May, 2017  
 Place: New Delhi

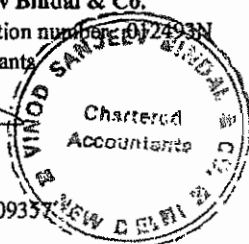
**Blackie & Son (Calcutta) Private Limited**  
**Regd. Office : 7361, Ravindra Mansion, Ram Nagar, New Delhi - 110 055**  
**(CIN : U74899DL1979PTC014517)**

**Statement of profit and loss for the year ended 31 March 2017**

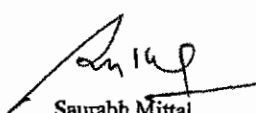
	Notes	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Income</b>			
Revenue from operations	14	2,667,468	7,234,368
Other income	15	573	1,025,368
<b>Total revenue (I)</b>		<b>2,668,041</b>	<b>8,259,736</b>
<b>Expenses</b>			
Cost of materials and components consumed	16	-	3,198,050
Employee benefit expenses	17	205,645	3,426,149
Depreciation expenses	18	395,115	395,829
Finance costs	19	241	127
Other expenses	20	328,528	412,016
<b>Total expenses (II)</b>		<b>929,529</b>	<b>7,432,171</b>
<b>Profit before tax (I-II)</b>		<b>1,738,512</b>	<b>827,564</b>
<b>Tax expenses</b>			
Current tax		560,866	321,997
Deferred tax charge		23,427	(84,885)
<b>Total tax expenses</b>		<b>584,293</b>	<b>237,112</b>
<b>Profit for the period</b>		<b>1,154,219</b>	<b>590,453</b>
<b>Earnings per equity share [Nominal value of share Rs. 1,000]</b>	21		
<b>Basic</b>			
Computed on the basis of total profit for the period		10,888.86	5,570.31
<b>Diluted</b>			
Computed on the basis of total profit for the period		10,888.86	5,570.31
<b>Summary of significant accounting policies</b>	2		

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

As per our report of even date  
**For Vinod Sanjeev Bindal & Co.**  
 ICAI Firm registration number 012493N  
 Chartered Accountants  
  
 per Arvind Mittal  
 Partner  
 Membership No. 509357



For and on behalf of the Board of Directors of  
**Blackie & Son (Calcutta) Private Limited**

  
 Saurabh Mittal  
 Director  
 DIN 01402533

  
 Ankita Gupta  
 Director  
 DIN 00054090

Date: 27th May, 2017  
 Place: New Delhi

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Blackie & Son (Calcutta) Private Limited  
 Regd. Office : 7361, Ravindra Mansion, Ram Nagar, New Delhi - 110 055  
 (CIN : U74899DL1979PTC014517)

Cash flow statement for the year ended 31 March 2017

	Notes	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Cash flow from operating activities</b>			
Profit before tax		1,738,512	1,815,430
Non-cash adjustment to reconcile profit before tax to net cash flows:			
Depreciation expenses		395,115	518,508
Profit on sale of current investments		-	(328,278)
Provision on diminution of investment written back		-	(91,800)
Interest expense		-	604,139
Interest income		-	-
Dividend income		(400)	(4,050)
<b>Operating profit before working capital changes</b>		<b>2,133,227</b>	<b>2,513,949</b>
Movements in working capital :			
Decrease in trade payables		-	(46,594,013)
Decrease in provisions		(621,040)	(350,988)
(Decrease) / increase in other current liabilities		(825,118)	241,944
Decrease in trade receivables		1,766,379	49,313,892
Decrease in inventories		-	4,571,319
Increase in other assets		112,296	-
(Increase) / decrease in loans and advances		(1,137,697)	2,538,278
<b>Cash generated from operating activities</b>		<b>1,428,047</b>	<b>12,234,381</b>
Direct taxes paid (net of refunds)		105,001	(1,719,761)
<b>Net cash flow from operating activities (A)</b>		<b>1,533,048</b>	<b>10,514,620</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of current investments		-	694,741
Dividends received		400	4,050
Interest received		-	-
<b>Net cash flow from investing activities (B)</b>		<b>400</b>	<b>698,791</b>
<b>Cash flows from financing activities</b>			
Repayment of long-term borrowings		-	(604,009)
Repayment of short term borrowing		-	(10,156,503)
Interest paid		-	(604,139)
<b>Net cash used in in financing activities (C)</b>		<b>-</b>	<b>(11,364,651)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>		<b>1,533,448</b>	<b>(151,240)</b>
Cash and cash equivalents at the beginning of the period/year		417,023	568,263
<b>Cash and cash equivalents at the end of the period/year</b>		<b>1,950,471</b>	<b>417,023</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand		153	19,272
Balances with banks		-	-
- on current account		1,950,318	397,751
<b>Total cash and cash equivalents (note 15)</b>		<b>1,950,471</b>	<b>417,023</b>

Summary of significant accounting policies

2

As per our report of even date  
 For Vinod Sanjeev Bhatia & Co.  
 ICAI Firm registration number : 012493N  
 Chartered Accountants  
 Chartered Accountants  
 per Arvind Mittal  
 Partner  
 Membership No. 509357

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For and on behalf of the Board of Directors of  
 Blackie & Son (Calcutta) Private Limited

*Saurabh Mital*  
 Saurabh Mital  
 Director  
 DIN 01402533

*Aakita Gupta*  
 Aakita Gupta  
 Director  
 DIN 00054090

Date: 27th May, 2017  
 Place: New Delhi

Notes to financial statements for the year ended 31<sup>st</sup> March, 2017  
(All amount in Indian Rupee, unless otherwise stated)

**1. Corporate information**

Blackie & Son (Calcutta) Private Limited (the Company) is a Private Company incorporated under the provisions of the Companies Act, 1956. The Company is wholly owned subsidiary of S Chand and Company Limited, which is holding company for all publishing business of S Chand Group. Till year ended March 31, 2016, the Company was primarily engaged in sale of its own books to S Chand Group, however from current financial year the company has earned by way of royalty income.

**2. Basis of preparation**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention method.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous period.

**2.1 Summary of significant accounting policies**

**(a) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**(b) Property, Plant and Equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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/ sale 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/ sold.

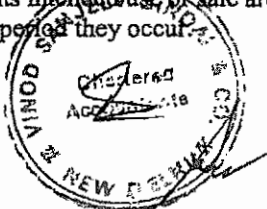
Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value.

**(c) Borrowing costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(d) Investments**



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Notes to financial statements for the year ended 31<sup>st</sup> March, 2017  
(All amount in Indian Rupee, unless otherwise stated)

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(e) Revenue recognition**

**Sale of Service**

Revenue should be recognized by reference to the stage of completion of the transaction at the balance sheet date.

**Income from Royalty**

Revenue from royalty earned on accrual basis in accordance with the term of agreement entered into with Holding company.

**Dividends**

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

**(f) Retirement and other employee benefits**

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

The Company operates defined benefit plan for its employees, viz., gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each period-end. Actuarial gain and loss for defined benefit plans recognized in full in the period in which they occur in the statement of profit and loss.

**(g) Income taxes**

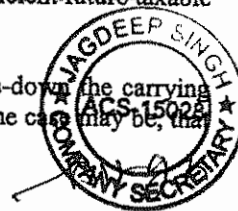
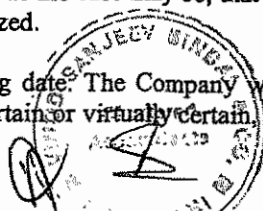
Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current period and reversal of timing differences for the earlier periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that



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**Notes to financial statements for the year ended 31<sup>st</sup> March, 2017**  
**(All amount in Indian Rupee, unless otherwise stated)**

sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

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

**(h) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(i) Provisions**

A provision is recognized when the Company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.


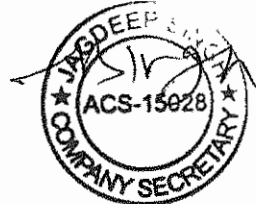
**(j) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**(k) Cash and cash equivalent**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

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*[Handwritten Signature]*  
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3. Share capital

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Authorised shares:</b>		
500 (31 March 2016: 500) equity shares of Rs. 1,000 each	500,000	500,000
<b>Issued, subscribed and fully paid-up share capital:</b>		
149 (31 March 2016: 149) equity shares of Rs. 1,000 each fully paid up	149,000	149,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>149,000</b>	<b>149,000</b>

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period/year:

	31 March 2017		31 March 2016	
	Number	(Amount in Rs.)	Number	(Amount in Rs.)
Shares outstanding at the beginning of the period/year	149	149,000	149	149,000
Issued during the period/year	-	-	-	-
<b>Shares outstanding at the end of the period/year</b>	<b>149</b>	<b>149,000</b>	<b>149</b>	<b>149,000</b>

(b) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 1,000 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31<sup>st</sup> March, 2017 the amount of per share dividend recognized as distributions to equity shareholders was Rs. Nil

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

(c) Equity shares held by Holding Company

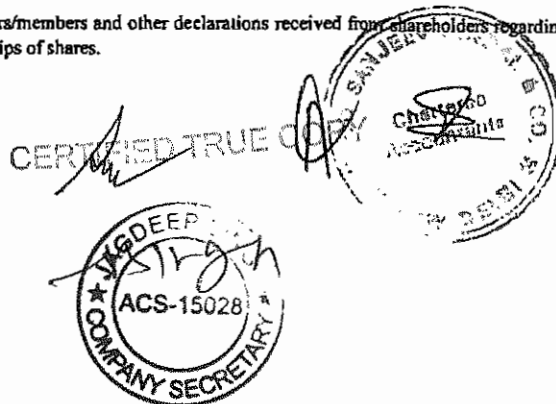
Out of equity shares issued by the Company, shares held by its Holding Company as below:

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
S Chand and Company Limited, the Holding Company 149 (31 March 2016: 149) equity share of Rs. 1000 each fully paid up (1 share held in the name of Mr. Himanshu Gupta as nominee of or beneficial interest of S Chand and Company Limited)	149,000	149,000

(d) Details of shareholders holding more than 5% equity shares in the Company:

Name of the shareholder	As at 30 June 2017		As at 31 March 2016	
	Number	% holding	Number	% holding
Equity shares of Rs. 1,000 each fully paid-up S Chand and Company Limited, the Holding Company (1 share held in the name of Mr. Himanshu Gupta as nominee)	149	100%	149	100%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



4. Reserves & surplus

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Securities Premium Account</b>		
Opening Balance	24,102,000	24,102,000
Add : Securities premium credited on share issue	-	-
Closing Balance	24,102,000	24,102,000
<b>General reserve</b>		
Balance as per last financial statements	21,600,000	21,600,000
Add: amount transferred from surplus balance in the statement of profit and loss	-	-
Closing balance	21,600,000	21,600,000
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	20,522,656	19,932,203
Profit for the period/year	1,154,219	590,453
Net surplus in the statement of profit and loss	21,676,875	20,522,656
<b>Total reserves and surplus</b>	<b>67,378,875</b>	<b>66,224,656</b>

5. Deferred tax liability (net)

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/	66,671	43,245
Net deferred tax assets	66,671	43,245

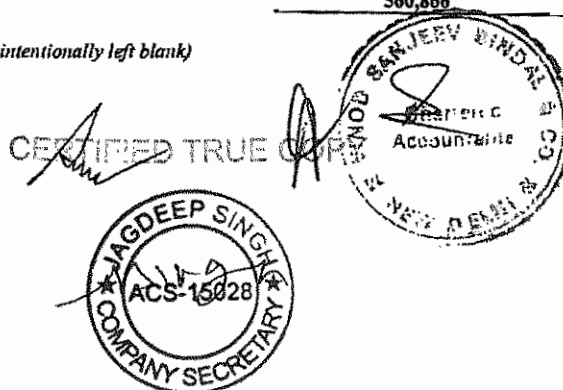
6. Other current liabilities

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Other current liabilities</b>		
Employee Benefit Payable	-	491,330
Other Payables	335,595	363,285
Tax deducted at source payable	-	35,604
Other statutory dues payable	-	270,494
	335,595	1,160,713
	335,595	1,160,713

7. SHORT TERM PROVISIONS

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Provision for Income Tax</b>		
For AY 2016-17	-	321,997
For AY 2017-18	560,866	-
	560,866	321,997

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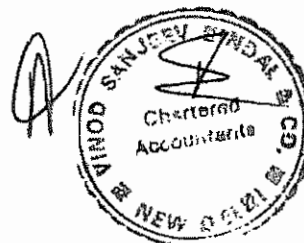
**Blackie & Son (Calcutta) Private Limited**  
**Notes to financial statements for the year ended 31 March 2017**

**8. Property, Plant and Equipment**

	(Amount in Rs.)		
	License Fee	Computer	Total
<b>Cost</b>			
At 01 April 2015	5,125,000	596,195	5,721,195
Additions	-	-	-
Disposals	-	-	-
<b>At 31 March 2016</b>	<b>5,125,000</b>	<b>596,195</b>	<b>5,721,195</b>
Additions	-	-	-
Disposals	-	-	-
<b>At 31 March 2017</b>	<b>5,125,000</b>	<b>596,195</b>	<b>5,721,195</b>
<b>Depreciation</b>			
At 01 April 2015	4,255,000	566,386	4,821,386
Charge for the year	395,829	-	395,829
Disposals	-	-	-
<b>At 31 March 2016</b>	<b>4,650,829</b>	<b>566,386</b>	<b>5,217,215</b>
Charge for the period	395,115	-	395,115
Disposals	-	-	-
<b>At 31 March 2017</b>	<b>5,045,944</b>	<b>566,386</b>	<b>5,612,330</b>
<b>Net block</b>			
At 31 March 2016	474,171	29,809	503,980
At 31 March 2017	79,056	29,809	108,865

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**Blackie & Son (Calcutta) Private Limited**  
**Notes to financial statements for the year ended 31 March 2017**

**9. Non-current investments**

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Non-trade investments (value at cost unless stated otherwise)</b>		
<b>Investment in equity instruments (quoted)</b>		
125 (31 March 2016: 125) equity shares of Rs. 10 each fully paid up in Reliance Power Limited	55,239	55,239
400 (31 March 2016: 400) equity shares of Rs. 10 each fully paid up in EIH Associated Hotel Ltd.	78,975	78,975
10000 (31 March 2016: 10000) equity shares of Rs. 10 each fully paid up in Bharat Glass Tubes Ltd.	100,000	100,000
<b>Investment in equity instruments (unquoted)</b>		
5,73,750 (31 March 2016: 5,73,750) equity shares of Rs. 10 each fully paid up in BPI India Private Limited	45,100,000	45,100,000
	<b>45,334,214</b>	<b>45,334,214</b>
Aggregate amount of quoted investments (Market value: Rs. 246,953 (31 March 2016: Rs. 122,169))	234,214	234,214
Aggregate amount of unquoted investments	45,100,000	45,100,000
Aggregate provision for diminution in value of Investment		

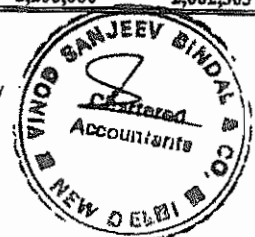
**10. Loans and advances**

	Non-current		Current	
	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Security deposit</b>				
Unsecured, considered good	-	-	-	-
<b>Loans and advances to related parties (refer note 26)</b>				
Unsecured, considered good	-	-	-	-
<b>Advances recoverable in cash and kind</b>				
Unsecured, considered good	-	-	1,200,000	-
<b>Other loans &amp; advances</b>				
Unsecured, considered good				
Advance income tax (net of provision for taxation of Rs. Nil (31 March 2016: Rs. Nil))	-	-	-	-
Staff Advances	-	-	-	62,303
Other loans & advances	-	-	2,000,000	2,000,000
<b>Total</b>	-	-	<b>3,200,000</b>	<b>2,062,303</b>

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*[Handwritten signatures]*





11. Trade receivables

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Outstanding for period exceeding six months from the date they are due for payment Unsecured, considered good	-	-
Other receivables Unsecured, considered good	16,482,745	18,249,123
	<u>16,482,745</u>	<u>18,249,123</u>
<b>Trade receivables include:</b>		
<b>Due from holding company</b>		
S Chand and Company Limited	16,482,745	14,987,100
Fellow subsidiaries Vikas Publishing House Private Limited	-	3,262,023

12. Cash and bank balances

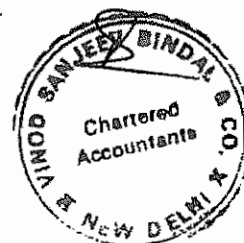
	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Cash and cash equivalents		
Balances with banks -in current account	1,950,318	197,013
Cash in hand	153	25,968
	<u>1,950,471</u>	<u>222,981</u>

13. Other current assets

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Income Tax Refund	1,414,712	1,527,008
	<u>1,414,712</u>	<u>1,527,008</u>

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Blackie & Son (Calcutta) Private Limited  
Notes to financial statements for the year ended 31 March 2017

14. Revenue from operations	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Sale of services		
Royalty Income	2,667,468	4,036,306
Other operating revenues		
Sale of paper	-	3,198,062
<b>Revenue from operations (net)</b>	<b>26,67,468</b>	<b>72,34,368</b>

Details of products sold	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Sale of Service		
Royalty Income	2,667,468	4,036,306
	2,667,468	4,036,306
Traded goods sold		
Paper	-	3,198,062
	-	3,198,062

15. Other income	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Interest income		
- from others	-	152
Dividend Income on non-current investment	400	2,522
Miscellaneous Balance w/back	173	1,022,694
	573	1,025,368

16. Cost of raw material and components consumed	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Inventory at the beginning of the year	-	3,198,050
Add : purchases	-	-
	-	3,198,050
Less: inventory at the end of the year	-	-
<b>Cost of raw material and components consumed*</b>	<b>-</b>	<b>3,198,050</b>

\*Raw material at the beginning of the year ended 31 March 2016 was sold during the year (31 March 2015: Nil) (Refer note 17).

Details of raw material and components consumed	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Paper	-	3,198,050
	-	3,198,050

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**Blackie & Son (Calcutta) Private Limited**  
**Notes to financial statements for the year ended 31 March 2017**

**17. Employee benefits expense**

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Salaries, wages and bonus	205,645	2,701,582
Contribution to provident and other funds	-	416,519
Gratuity expense (refer note 27)	-	270,494
Staff welfare expenses	-	37,554
	205,645	3,426,149

**18. Depreciation expense**

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Depreciation of tangible assets	395,115	395,829
	395,115	395,829

**19. Finance cost**

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Interest expenses		
- On vehicle loan	-	-
- On others	-	-
Bank charges	241	127
	241	127

**20. Other expenses**

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Rent		
Travelling and conveyance		89,746
Legal & professional fee	246,128	171,855
Payment to auditors (refer details below)	80,500	103,050
Filing Fee	-	4,409
Insurance	-	24,960
Miscellaneous expenses	-	13,000
Telephone Expenses	-	2,700
Office expenses	-	-
Interest on TDS	1,900	2,296
	328,528	412,016
<b>Payment to auditor</b>		
As auditor :		
Audit fees	80,500	103,050
Tax Audit fee	-	-
	80,500	103,050

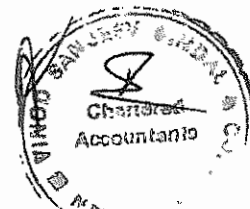
**21. Earning per share (EPS)**

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
--	----------------------------------	----------------------------------

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

Profit after tax	1,154,219	590,453
Total number of average equity shares outstanding at the end of the period for basic EPS	106	106
Total number of average equity shares outstanding at the end of the period for diluted EPS	106	106
Basic earnings per share (Rs.)	10,888.86	5,570
Diluted earnings per share (Rs.)	10,888.86	5,570

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	31-Mar-17 (Amount in Rs.)	31-Mar-16 (Amount in Rs.)
22. Expenditure in foreign currency (accrual basis)		
Travelling and conveyance	-	-
Staff welfare	-	-

23. Imported and indigenous raw materials, components and spare parts consumed

	31 March 2017		31-Mar-16	
	Percentage (%)	Amount (Rs.)	Percentage (%)	Amount (Rs.)
Raw materials				
Indigenously obtained	100%	-	100%	-
	100%	-	100%	-

24. Gratuity and other post-employment benefit plans

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 salary (last drawn basic salary) for each completed year of service or part thereof in excess of six months on projected unit method.

25. Disclosure required under Sec 186(4) of the Companies Act 2013

Included in loans and advance are certain loans the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013:

Name of the loanee	Rate of Interest	Due date	Secured/ unsecured	31 March 2017	31 March 2016
--------------------	------------------	----------	--------------------	---------------	---------------

NIL

The loans have been utilized for meeting their working capital requirements.

26. Related Party Disclosures

Names of related parties and related party relationship

Related parties where control exists

Holding Company

S Chand and Company Limited

Related parties with whom transactions have taken place during the period/year

Fellow subsidiaries

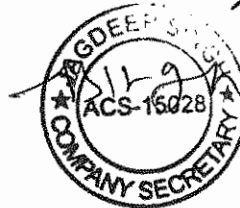
BPI (India) Pvt. Ltd.

Key Management Personnel

Mr. Dinesh Kumar Jhunjhnuwala, Director (till 20 May 2016)  
Mr. Himanshu Gupta, Director (till 20 May 2016)  
Mrs. Nirmala Gupta, Director (till 20 May 2016)  
Mrs. Neerja Jhunjhnuwala, Director  
Mrs. Savita Gupta, Director  
Mrs. Ankita Gupta, Director

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**Related party transactions**

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

**b) Transactions with the related parties**

Nature of transactions	Period/year ended	Holding company	Fellow subsidiaries	Key management personnel	Total
<b>Sales- paper</b>					
Vikas Publishing House Private Limited	31 March 2017	-	-	-	-
	31 March 2016	-	3,198,062	-	3,198,062
<b>License fees</b>					
S Chand and Company Limited	31 March 2017	2,667,468	-	-	2,667,468
	31 March 2016	4,035,634	-	-	4,035,634
<b>Director's remuneration</b>					
Himansbu Gupta	31 March 2017	-	-	205,645	205,645
	31 March 2016	-	-	1,500,000	1,500,000

**c) Balance outstanding**

	Year Ended	Holding Company	Fellow subsidiaries	Key management personnel	Total
<b>Trade receivable</b>					
S Chand and Company Limited	31 March 2017	16,482,745	-	-	16,482,745
	31 March 2016	14,987,100	-	-	14,987,100
Vikas Publishing House Private Limited	31 March 2017	-	-	-	-
	31 March 2016	-	3,262,023	-	3,262,023
<b>Investment made in equity shares</b>					
BPI (INDIA) Pvt. Ltd.	31 March 2017	-	45,100,000	-	45,100,000
	31 March 2016	-	45,100,000	-	45,100,000

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

The Company has requested its various suppliers, who may be the enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, to furnish the relevant registration certificate under that Act, but the said information is yet to be received till date; and hence, in absence of the same, no specific amount of outstanding on account of purchases made / services obtained from such suppliers can be ascertained.

28. The Company has only one reportable business segment, which is right of use given to Holding Company (S Chand and Company Limited) w.r.t. publication rights and operates in a single business segment based on the nature of the services, the risk and returns, the organization structure and the internal financial reporting systems. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

29. EXCEPTIONAL & EXTRA-ORDINARY ITEMS

No exceptional or extra-ordinary items of revenue nature occurred during the year (PY Nil). Hence no separate disclosure of the same is made in the Statement of Profit & Loss.

	31st March, 2017 <u>Amount (Rs.)</u>	31st March, 2016 <u>Amount (Rs.)</u>
<b>30. CONTINGENT LIABILITIES &amp; COMMITMENTS (to the extent not provided for)</b>		
(i) <u>Contingent Liabilities</u>	Nil	Nil
A. Claims against the Company not acknowledged as debts	Nil	Nil
B. Guarantees	Nil	Nil
C. Bills of exchange discounted with banks	Nil	Nil
D. Tax demand disputed in appeals	Nil	Nil
(ii) <u>Commitments</u>		
A. Estimated amount of contracts remaining to be executed on capital accounts and not provided for	Nil	Nil
B. Uncalled liability on shares and other investments partly paid	Nil	Nil
C. Other commitments	Nil	Nil

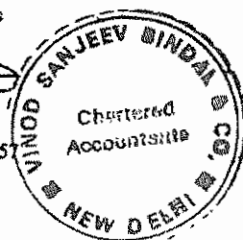
31. Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

As per our report of even date  
For Vinod Sanjeev Bindal & Co.  
ICAI Firm registration number : 012493N  
Chartered Accountants

per Arvind Mittal  
Partner  
Membership No. 509357

Date: 27th May, 2017  
Place: New Delhi



For and on behalf of the Board of Directors of  
Blackie & Son (Calcutta) Private Limited

Saurabh Mittal  
Director  
DIN 01402533

Ankita Gupta  
Director  
DIN 00054090

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**INDEPENDENT AUDITOR'S REPORT**

To the Members of Nirja Publisher and Printers Private Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of Nirja Publisher and Printers Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements.

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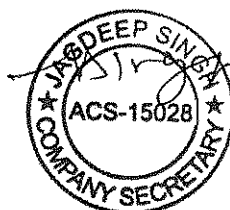
## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2017, its profit, and its cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of written representations received from the directors as on 31 March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - I. The Company does not have any pending litigations which would impact its financial position.
    - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- iv. The Company has provided requisite disclosure in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8 November 2016 and 30 December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to note 36 to the financial statement.

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



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per Yogesh Midha  
Partner  
Membership Number: 94941  
Place of Signature: New Delhi  
Date: 06/06/2017



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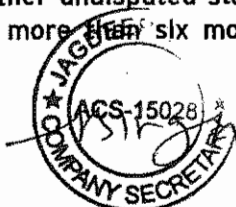


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**Annexure 1 referred to in paragraph [1] of report on other legal and regulatory requirements**

**Re: Nirja Publisher and Printers Private Limited ('the Company')**

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(I)(c) of the Order are not applicable to the Company.
- (II) The management has conducted physical verification of inventory at reasonable interval during the year and no material discrepancies noted on such verification.
- (iii) (a) The Company has granted loans to one company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanation given to us, the term and condition of the loan are not prejudicial to the Company's interest.
- (b) In respect of loan granted to company covered in the register maintained under section 189 of the Companies Act 2013, repayment of the principal amount as stipulated and receipt of interest has been regular.
- (c) There are no loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act 2013, are outstanding for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' estate insurance, income-tax, service tax, value added tax, cess and other material statutory dues applicable to it. The provisions relating to customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' estate insurance, income-tax, service tax, value added tax, cess and other undisputed statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable.



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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

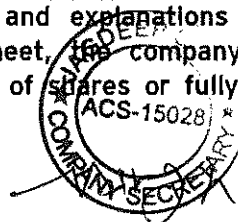
Name of the statutes	Nature of dues	Amount (Rs.)	Period to which the amount relate	Forum where the amount is dispute
Income Tax Act, 1961	Disallowance of deduction claimed u/s 80IC and turnover discount	39,472,967*	AY 2011-12	ITAT
Income Tax Act, 1961	Disallowance of deduction claimed u/s 80IC and turnover discount	35,438,380	AY-2012-13	CIT(A)

\*Amount paid under protest against such demand is Rs. 8,000,000.

- (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 financial institution or bank. The Company does not have any dues to in respect of debenture holders or government.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial statement and according to the information and explanations given by the management, we report that the provision of section 197 read with Schedule V of the Companies Act 2013 is not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not comment upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

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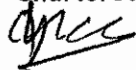
# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

- (xv) According to the Information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

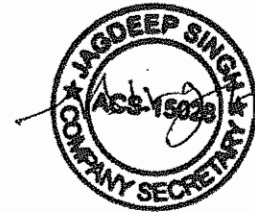
For S.R. Batliboi & Associates LLP  
ICAI Firm registration number: 101049W/E300004  
Chartered Accountants



per Yogesh Midha  
Partner  
Membership No.: 94941  
Place: New Delhi  
Date: 06/06/2017



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**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NIRJA PUBLISHER and PRINTERS Private LIMITED**

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

To the Members of Nirja Publisher and Printers Private Limited

We have audited the Internal financial controls over financial reporting of Nirja Publisher and Printers Private Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

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## 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 standalone 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 standalone 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 standalone financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



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per Yogesh Midha  
Partner  
Membership Number: 94941  
Place of Signature: New Delhi  
Date: 06/06/2017



	Notes	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	120,000	120,000
Reserves and surplus	4	685,893,464	647,299,498
		<b>686,013,464</b>	<b>647,419,498</b>
<b>Non-current liabilities</b>			
Long term provisions	6	2,258,721	1,545,833
		<b>2,258,721</b>	<b>1,545,833</b>
<b>Current liabilities</b>			
Short term borrowings	5	38,068,946	85,710,957
Trade payables			
• Total outstanding dues of micro enterprises and small enterprises			
• Total outstanding dues of creditors other than micro enterprises and small enterprises	7	24,632,160	56,118,574
Other current liabilities	7	1,659,983	1,148,751
Short term provisions	6	91,563	90,541
		<b>64,452,652</b>	<b>143,068,823</b>
<b>TOTAL</b>		<b>752,724,837</b>	<b>792,034,154</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Property, plant and equipment	8	18,994,759	20,749,792
Intangible assets	9	85,978	330,132
Non-current investments	10	206,592,165	206,592,165
Deferred tax assets (net)	11	1,027,753	1,814,439
Loans and advances	12	317,832,034	279,782,091
Other non-current assets	13	70,939	70,939
		<b>544,603,628</b>	<b>509,339,558</b>
<b>Current assets</b>			
Inventories	14	9,465,907	8,438,040
Trade receivables	15	193,715,449	263,899,466
Cash and bank balances	16	203,252	491,954
Loans and advances	12	4,736,601	9,865,136
		<b>208,121,209</b>	<b>282,694,596</b>
<b>TOTAL</b>		<b>752,724,837</b>	<b>792,034,154</b>
Summary of significant accounting policies	2.1		

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

As per our report of even date  
 For S.R. Batliboi & Associates LLP  
 Firm registration number : 101049W/E300004  
 Chartered Accountants

per Yogesh Midha  
 Partner  
 Membership No: 94941

Date: 06/06/2017  
 Place: New Delhi



For and on behalf of the Board of Directors of  
 Nirja Publishers & Printers Private Limited

*Sanjiv Gupta*  
 Director  
 DIN - 00053988

*[Signature]*  
 Director  
 DIN - 00054015

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Nirja Publishers & Printers Private Limited  
Statement of profit and loss for the year ended 31 March 2017  
CIN No:- U74899DL1971PTC005776

	Notes	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Income</b>			
Revenue from operations	17	253,967,411	487,709,070
Other income	18	542,291	221,227
<b>Total revenue (I)</b>		<b>254,509,702</b>	<b>487,930,297</b>
<b>Expenses</b>			
Cost of raw material and component consumed	19	153,757,298	240,630,187
Publication expenses	20	19,163,137	28,334,254
Increase in inventories of work in progress and stores and spares	21	(3,968,494)	(268,209)
Selling and distribution expenses	22	4,253,164	4,837,063
Employee benefit expenses	23	19,964,579	23,173,431
Other expenses	26	19,873,246	21,041,379
<b>Total expenses (II)</b>		<b>213,042,930</b>	<b>317,748,106</b>
<b>Profit before interest, tax, depreciation and amortization (EBITDA) (I-II)</b>		<b>41,466,772</b>	<b>170,182,191</b>
Depreciation and amortization expense	24	3,467,768	3,947,052
Finance costs	25	8,712,538	13,863,999
Interest income	18.1	(25,508,168)	(13,310,403)
<b>Profit before tax</b>		<b>54,794,634</b>	<b>165,681,543</b>
<b>Tax expense</b>			
Current tax			
Pertaining to profit for the current year		11,171,996	35,350,187
Adjustment of tax relating to earlier years		-	(739,903)
Mat credit utilized		4,241,988	7,096,611
Deferred tax charge/(credit)		786,684	(1,981,051)
<b>Total tax expense</b>		<b>16,200,668</b>	<b>39,725,845</b>
<b>Profit for the year</b>		<b>38,593,966</b>	<b>125,955,699</b>
Earnings per equity share [Nominal value of share Rs. 10]	27		
<b>Basic</b>			
Computed on the basis of total profit for the year		3,216.16	10,496
<b>Diluted</b>			
Computed on the basis of total profit for the year		3,216.16	10,496
<b>Summary of significant accounting policies</b>	2.1		

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

As per our report of even date  
For S.R. Batliboi & Associates LLP  
Firm registration number : 101049W/E300004  
Chartered Accountants

per Yogesh Midha  
Partner  
Membership No: 94941

Date: 06/06/2017  
Place: New Delhi



For and on behalf of the Board of Directors of  
Nirja Publishers & Printers Private Limited

Director  
(DIN: 00054015)

Director  
(DIN: 00054015)

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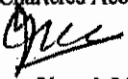


Nirja Publishers & Printers Private Limited  
Cash flow statement for the year ended 31 March 2017  
CIN No:- U74899DL1971PTC005776

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Cash flow from operating activities</b>		
Profit before tax	54,794,634	165,681,544
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	3,467,768	3,947,052
Interest expense	8,709,964	13,836,361
Profit on sale of current investment	-	(220,567)
(Profit)/loss on sale of fixed assets	(420,622)	779,801
Interest income	-	(4,332)
Dividend received	(140)	(660)
<b>Operating profit before working capital changes</b>	<b>66,551,604</b>	<b>184,019,199</b>
Movements in working capital :		
(Decrease)/increase in trade payables	(31,486,414)	7,267,835
Increase in provisions	713,910	1,028,307
(Decrease)/increase in other current liabilities	511,232	22,171
Decrease in trade receivables	70,184,016	72,168,928
Increase in inventories	(1,027,867)	(4,034,337)
Increase in loans and advances	(20,327,275)	(208,567,868)
<b>Cash generated from operating activities</b>	<b>85,119,206</b>	<b>51,904,235</b>
Direct taxes paid (net of refunds)	(28,008,118)	(35,153,261)
<b>Net cash flow from operating activities (A)</b>	<b>57,111,088</b>	<b>16,750,974</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including capital work in progress and capital advances	(7,473,634)	(6,716,686)
Proceed from sale of fixed assets	6,425,676	1,382,338
Purchase of non-current investments	-	(15,500,000)
Proceed from sale of current investment	-	3,265,791
Dividends received	140	660
<b>Net cash used in investing activities (B)</b>	<b>(1,047,818)</b>	<b>(17,567,897)</b>
<b>Cash flows from financing activities</b>		
Repayment of long-term borrowings	-	(374,639)
Repayment of short term borrowings	(47,642,008)	15,279,331
Interest paid	(8,709,964)	(13,836,361)
<b>Net cash (used in)/flow from financing activities (C)</b>	<b>(56,351,972)</b>	<b>1,068,331</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(288,702)</b>	<b>251,408</b>
Cash and cash equivalents at the beginning of the year	491,954	240,546
<b>Cash and cash equivalents at the end of the year</b>	<b>203,252</b>	<b>491,954</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	5,602	9,458
Balances with banks		
- on current account	197,650	482,496
<b>Total cash and cash equivalents (note 16)</b>	<b>203,252</b>	<b>491,954</b>
Summary of significant accounting policies	2.1	

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

As per our report of even date  
For S.R. Batliboi & Associates LLP  
Firm registration number : 101049W/E300004  
Chartered Accountants

  
per Yogesh Midha  
Partner  
Membership No: 94941

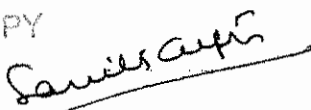


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For and on behalf of the Board of Directors of  
Publishers & Printers Private Limited

Nirja

  
Director  
DIN-00053988

  
Director  
DIN-00054015

Date: 06/06/2017  
Place: New Delhi

## **1. Corporate information**

Nirja Publishers and Printers Private Limited (the company) is a private company incorporated under the provisions of the Companies Act, 1956. The company is wholly owned subsidiary of S Chand and Company Limited (Formerly S Chand and Company Private Limited). The company is primarily engaged in printing and binding of books for S Chand Group.

## **2. Basis of preparation**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards specified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention method.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous period.

### **2.1 Summary of significant accounting policies**

#### **(a) Change in accounting policy**

##### **Disclosure of EBITDA**

Till the year ended 31 March 2016, the Company had opted not to disclose EBITDA. From current year onwards, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs, interest income and tax expense. The same has been elected by the Company to enable better presentation of financial statements and enhance decision making of top management.

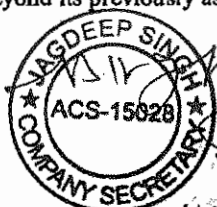
#### **(b) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### **(c) Property, Plant and Equipment**

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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



**Nirja Publishers & Printers Private Limited**  
**Notes to financial statements for the year ended 31 March 2017**

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 year during which such expenses are incurred. Items of stores and spares that meet the definition of plant, property and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from de-recognition/ sale 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/ sold.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value.

**(d) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

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

**(e) Depreciation on property, plant and equipment**

Depreciation on property, plant and equipment is calculated on a written down value basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its property, plant and equipment.

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

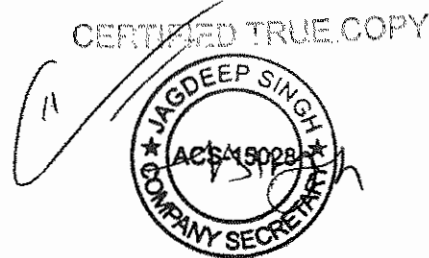
Asset category	Useful lives as per schedule II	Useful lives as estimated by the management
Plant and equipment	15 years	25 years
Furniture and fixture	10 years	10 years
Office equipment	5 years	5 years
Vehicle	8 years	10 years
Computer	3 years	6 years
Leasehold improvement	Over the lease period	Over the lease period

- The useful lives of plant and equipment, vehicle and computers are estimated as 25 years, 10 years and 6 years, respectively. These lives are higher than those indicated in schedule II.



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**Nirja Publishers & Printers Private Limited**  
**Notes to financial statements for the year ended 31 March 2017**

- Second hand machinery purchased during the year is depreciated considering its useful life based upon management's assessment as 15 years.

**(f) 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.

**(g) Borrowing costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

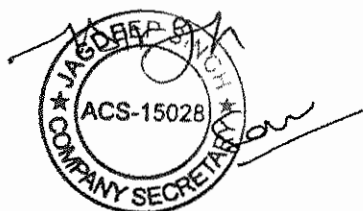
**(h) Impairment of tangible and intangible assets**

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) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued property, plant and equipment, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

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



**Nirja Publishers & Printers Private Limited**  
**Notes to financial statements for the year ended 31 March 2017**

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized 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 recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior periods. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**(i) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(j) Inventories**

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on First in first out (FIFO) basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work In Progress is valued at lower of cost and net realizable value. The cost includes direct materials and labour and a proportion of overheads based on normal operating capacity. Cost is determined on First in first out (FIFO) basis.

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

**(k) Revenue recognition**

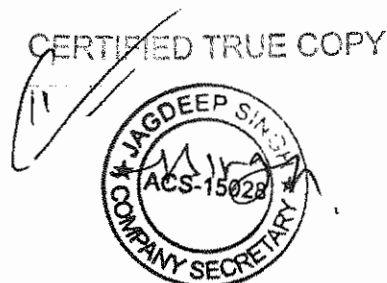
**Sale of goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods to carrier of transportation. Sales are net of turnover discounts and sales returns.

**Job Work**



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**Nirja Publishers & Printers Private Limited**  
**Notes to financial statements for the year ended 31 March 2017**

Revenue from Job work is recognized when printing and binding job is complete and accepted by the customer and all significant risk and rewards relating to job work are transferred to customer. 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.

**Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rates. Interest income is included under the head "Other Income "in the statement of profit and loss.

**Dividends**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

**(l) Foreign currency translation**

**Foreign currency transactions and balances**

**(i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

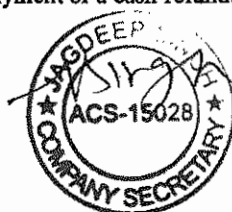
**(iii) Exchange differences**

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a property, plant and equipment are capitalized and depreciated over the remaining useful life of the asset.
2. All other exchange differences are recognized as income or as expenses in the period in which they arise.

**(m) Retirement and other employee benefits**

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



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**Nirja Publishers & Printers Private Limited**  
**Notes to financial statements for the year ended 31 March 2017**

The company operates defined benefit plan for its employees, viz., gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each period-end. Actuarial gain and loss for defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

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

**(n) Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current period and reversal of timing differences for the earlier periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the period in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

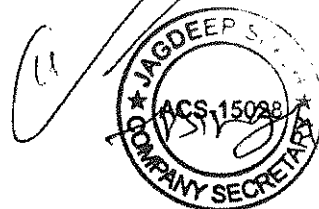
Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a period is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the period in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT



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**Nirja Publishers & Printers Private Limited**  
**Notes to financial statements for the year ended 31 March 2017**

credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**(o) Segment reporting**

***Identification of segments***

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

***Allocation of common costs***

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

***Unallocated items***

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

***Segment accounting policies***

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.

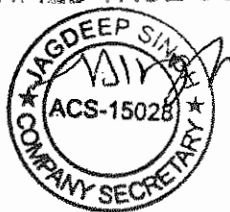
**(p) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.


For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(q) Provisions**

A provision is recognized when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.



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**(r) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**(s) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

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3. Share capital

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Authorised shares:</b>		
100,000 (31 March 2016: 100,000) equity shares of Rs. 10 each	1,000,000	1,000,000
<b>Issued, subscribed and fully paid-up shares:</b>		
12,000 (31 March 2016: 12,000) equity shares of Rs. 10 each fully paid up	120,000	120,000
	<u>120,000</u>	<u>120,000</u>

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:

	31 March 2017		31 March 2016	
	Number	(Amount in Rs.)	Number	(Amount in Rs.)
Shares outstanding at the beginning of the year	12,000	120,000	12,000	120,000
Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>12,000</u>	<u>120,000</u>	<u>12,000</u>	<u>120,000</u>

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

(c) Shares held by Holding company:

Out of equity shares issued by the company, shares held by its Holding company are as below:

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
S Chand and Company Limited (Formerly S Chand and Company Private Limited), the Holding company	120,000	120,000
12,000 (31 March 2016: 12,000) equity shares of Rs. 10 each fully paid up		
600 shares held in the name of Mr. Dinesh Kumar Jhunjhnuwala as nominee or beneficial interest of S Chand and Company Limited (Formerly S Chand and Company Private Limited)		
(31 March 2016: 600 shares held in the name of Mrs. Nirmala Gupta as nominee or beneficial interest of S Chand and Company Limited (Formerly S Chand and Company Private Limited))		

(d) Details of shareholders holding more than 5% equity shares in the Company:

Name of the shareholder	31 March 2017		31 March 2016	
	Number	% holding	Number	% holding
Equity shares of Rs. 10 each fully paid up				
S. Chand and Company Limited (Formerly S Chand and Company Private Limited), the Holding company	12,000	100%	12,000	100%
600 shares held in the name of Mr. Dinesh Kumar Jhunjhnuwala as nominee or beneficial interest of S Chand and Company Limited (Formerly S Chand and Company Private Limited)				
(31 March 2016: 600 shares held in the name of Mrs. Nirmala Gupta as nominee or beneficial interest of S Chand and Company Limited (Formerly S Chand and Company Private Limited))				

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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4. Reserves & surplus

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>General reserve</b>		
Balance as per the last financial statements	54,200,000	54,200,000
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	593,099,498	467,143,798
Profit for the year	38,593,966	125,955,700
Net surplus in the statement of profit and loss	631,693,464	593,099,498
<b>Total reserves and surplus</b>	685,893,464	647,299,498

5. Short term borrowings

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Secured</b>		
<b>Loans repayable on demand</b>		
<b>From banks</b>		
Cash credit (refer note 'a' below)	38,068,946	85,710,957
<b>Total</b>	38,068,946	85,710,957

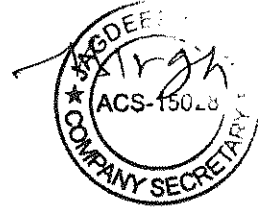
- a. Cash credit is from HDFC Bank and carries interest rate ranging from 11.25% to 11.30% p.a. The loan is repayable on demand. The loan is secured by (i) hypothecation of current assets (present and future) (ii) hypothecation of fixed assets (present and future, except financed by other bank and financial institutions) (iii) Corporate guarantee of S Chand and Company Limited (Formerly S Chand and Company Private Limited) and (iv) personal guarantee of Mr. Dinesh Kumar Jhujhnuwala and Mr. Himanshu Gupta.

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6. Provisions

	Long term		Short term	
	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Provision for employee benefits				
Provision for gratuity (refer note 28)	2,258,721	1,545,833	40,425	26,229
Provision for leave encashment	-	-	51,138	64,312
	<u>2,258,721</u>	<u>1,545,833</u>	<u>91,563</u>	<u>90,541</u>

7. Other current liabilities

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Trade payables		
• total outstanding dues of micro enterprises and small enterprises (refer note 32 for details of dues to micro and small enterprises)	-	-
• total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 32)	24,632,160	53,606,156
• total outstanding dues to related entities	-	2,512,418
	<u>24,632,160</u>	<u>56,118,574</u>
Others		
Security deposit	1,200,000	500,000
Tax deducted at source payable	247,409	361,837
Value added tax payable	10,807	57,071
Provident fund and employee state insurance payable	190,555	198,488
Service tax payable	11,212	31,355
	<u>1,659,983</u>	<u>1,148,751</u>
	<u>26,292,143</u>	<u>57,267,325</u>

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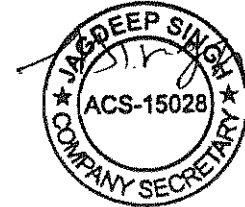
8. Property, plant and equipment

(Amount in Rs.)							
Tangible Assets	Plant & equipment	Furniture & Fixtures	Vehicles	Office equipment	Computer	Leasehold Improvement	Total
<b>Cost</b>							
At 01 April 2015	25,536,533	1,082,083	1,529,360	4,857,906	1,113,855	435,352	34,555,089
Additions	5,664,201	138,000	-	703,347	42,000	1,036,526	7,584,074
Disposals	(2,649,559)	-	(1,529,360)	-	-	-	(4,178,919)
<b>At 31 March 2016</b>	<b>28,551,175</b>	<b>1,220,083</b>	<b>-</b>	<b>5,561,253</b>	<b>1,155,855</b>	<b>1,471,878</b>	<b>37,960,244</b>
Additions	6,974,281	14,625	-	363,228	121,500	-	7,473,634
Disposals	(7,579,171)	-	-	-	-	-	(7,579,171)
<b>At 31 March 2017</b>	<b>27,946,285</b>	<b>1,234,708</b>	<b>-</b>	<b>5,924,481</b>	<b>1,277,355</b>	<b>1,471,878</b>	<b>37,854,707</b>
<b>Accumulated Depreciation</b>							
At 01 April 2015	9,668,205	492,970	988,878	3,545,716	1,060,298	50,255	15,806,322
Charge for the year	2,299,471	193,735	28,966	752,709	23,635	122,394	3,420,910
Disposals	(998,936)	-	(1,017,844)	-	-	-	(2,016,780)
<b>At 31 March 2016</b>	<b>10,968,740</b>	<b>686,705</b>	<b>-</b>	<b>4,298,425</b>	<b>1,083,933</b>	<b>172,649</b>	<b>17,210,452</b>
Charge for the year	2,078,233	158,095	-	609,298	46,966	331,022	3,223,614
Disposals	(1,574,118)	-	-	-	-	-	(1,574,118)
<b>At 31 March 2017</b>	<b>11,472,855</b>	<b>844,800</b>	<b>-</b>	<b>4,907,723</b>	<b>1,130,899</b>	<b>503,671</b>	<b>18,859,948</b>
<b>Net Block</b>							
<b>At 31 March 2016</b>	<b>17,582,435</b>	<b>533,378</b>	<b>-</b>	<b>1,262,828</b>	<b>71,922</b>	<b>1,299,229</b>	<b>20,749,792</b>
<b>At 31 March 2017</b>	<b>16,473,430</b>	<b>389,908</b>	<b>-</b>	<b>1,016,758</b>	<b>146,456</b>	<b>968,207</b>	<b>18,994,759</b>

9. Intangible assets

(Amount in Rs.)		
	License Fees for Publication Rights	Total
<b>Cost</b>		
At 01 April 2015	5,761,252	5,761,252
<b>At 31 March 2016</b>	<b>5,761,252</b>	<b>5,761,252</b>
<b>At 31 March 2017</b>	<b>5,761,252</b>	<b>5,761,252</b>
<b>Amortization</b>		
At 01 April 2015	4,904,978	4,904,978
Charge for the year	526,142	526,142
Disposals	-	-
<b>At 31 March 2016</b>	<b>5,431,120</b>	<b>5,431,120</b>
Charge for the year	244,154	244,154
Disposals	-	-
<b>At 31 March 2017</b>	<b>5,675,274</b>	<b>5,675,274</b>
<b>At 31 March 2016</b>	<b>330,132</b>	<b>330,132</b>
<b>At 31 March 2017</b>	<b>85,978</b>	<b>85,978</b>

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10. Non current investments

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Non-trade investments (valued at cost unless stated otherwise)</b>		
<b>Investment in equity instruments (Quoted)</b>		
500 (31 March 2016: 500) equity shares of Rs. 1 each fully paid up in State Bank Of India	5,000	5,000
200 (31 March 2016: 200) equity shares of Rs. 10 each fully paid up in Oriental Bank Of Commerce	12,000	12,000
<b>Government and trust securities (Unquoted)</b>		
National Savings Certificates	30,000	30,000
<b>Unquoted equity instruments in subsidiary of holding company</b>		
801 (31 March 2016: 801) equity shares in Vikas Publishing House Private Limited	28,695,165	28,695,165
<b>Unquoted equity instruments in subsidiary of holding company</b>		
17,785,000 (31 March 2016 :17,785,000) equity shares in Safari Digital Education Initiative Private Limited	177,850,000	177,850,000
<b>Total</b>	<b>206,592,165</b>	<b>206,592,165</b>
Aggregate amount of quoted investments (Market value: Rs. 174,490 (31 March 2016: Rs. 115,490))	17,000	17,000
Aggregate amount of unquoted investments	206,575,165	206,575,165
Aggregate provision for diminution in value of investment	-	-

11. Deferred tax assets (net)

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Deferred tax assets</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	708,674	856,099
Impact of expenditure charged to the statement of profit and loss in current year but allowed for tax purposes on payment basis	319,079	958,340
<b>Deferred tax assets</b>	<b>1,027,753</b>	<b>1,814,439</b>
<b>Net deferred tax asset</b>	<b>1,027,753</b>	<b>1,814,439</b>

12. Loans and advances

	Non-current		Current	
	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Security deposit</b>				
Unsecured, considered good	1,015,572	948,735	25,000	295,000
	1,015,572	948,735	25,000	295,000
<b>Loan and advances to related parties</b>				
Unsecured, considered good (refer note 30)	235,202,214	212,667,863	-	1,500,000
	235,202,214	212,667,863	-	1,500,000
<b>Advance recoverable in cash or kind</b>				
Unsecured, considered good	-	-	229,963	213,617
	-	-	229,963	213,617
<b>Other loans and advances</b>				
Unsecured, considered good				
Loans to employees	-	-	37,330	36,000
Prepaid expenses	-	-	202,320	723,909
MAT credit entitlement	62,836,835	64,224,201	4,241,988	7,096,610
Advance income tax (net of provision for taxation of Rs. 92,877,650 (31 March 2016: Rs. 85,326,373))	18,777,413	1,941,292	-	-
	81,614,248	66,165,493	4,481,638	7,856,519
<b>Total</b>	<b>317,832,034</b>	<b>279,782,091</b>	<b>4,736,601</b>	<b>9,865,136</b>

13. Other non-current assets

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Unsecured, considered good (unless stated otherwise)</b>		
Non-current bank balance (refer note 16)	50,200	50,200
	50,200	50,200
<b>Others</b>		
Interest accrued on fixed deposit	20,739	20,739
	20,739	20,739
	70,939	70,939



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14. Inventories

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Finished goods (refer note 21)	3,195,653	-
Raw materials and components (refer note 19)	1,916,162	4,856,789
Stores and spares (refer note 21)	4,354,092	3,581,251
	<u>9,465,907</u>	<u>8,438,040</u>

15. Trade receivables

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Outstanding for period exceeding six months from the date they are due for payment		
Unsecured, considered good	68,105,313	42,675,600
Other receivables		
Unsecured, considered good	125,610,136	221,223,866
	<u>193,715,449</u>	<u>263,899,466</u>
<b>Trade receivables include:</b>		
<b>Due from Holding Company</b>		
S Chand and Company Limited (Formerly S Chand and Company Private Limited)	152,672,544	247,309,604
<b>Due from a companies under same management</b>		
New Saraswati House (India) Private Limited	40,213,127	16,588,439
Vikas Publishing House Private Limited	472,648	-

16. Cash and bank balances

	Non-current		Current	
	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Cash and cash equivalents				
Balances with banks				
On current accounts	-	-	197,650	482,496
Cash on hand	-	-	5,602	9,458
	-	-	<u>203,252</u>	<u>491,954</u>
Other bank balances				
Deposits with remaining maturity for more than 12 months	-	50,200	-	-
	-	<u>50,200</u>	-	-
Amount disclosed under non-current assets (refer note 13)	-	(50,200)	-	-
	-	-	<u>203,252</u>	<u>491,954</u>

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17. Revenue from operations

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Sale of products</b>		
Finished goods	250,753,216	484,809,314
<b>Other operating revenues</b>		
Job work	-	12,564
Sale of raw materials (consumables and paper)	1,375,035	-
Scrap sales	1,839,160	2,887,192
	<u>253,967,411</u>	<u>487,709,070</u>

**Details of products sold**

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Books	250,753,216	484,809,314
	<u>250,753,216</u>	<u>484,809,314</u>

18. Other income

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Dividend income on current investments	140	660
Profit on sale of current investment	-	220,567
Profit on sale of property, plant and equipment	420,622	-
Miscellaneous income	121,529	-
	<u>542,291</u>	<u>221,227</u>

18.1 Interest income

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Interest income on Bank deposits	-	4,332
Others	25,508,168	13,306,071
	<u>25,508,168</u>	<u>13,310,403</u>

19. Cost of raw materials and components consumed

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
<b>Raw materials consumed</b>		
Inventory at the beginning of the year	4,856,789	1,090,661
Add : purchases during the year	150,816,671	244,396,31
	<u>155,673,460</u>	<u>245,486,97</u>
Less: inventory at the end of the year	1,916,162	4,856,785
Cost of raw materials and components consumed	<u>153,757,298</u>	<u>240,630,18</u>

**Details of raw material and components purchased**

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Raw material (paper)	136,224,663	221,489,84
Glue (hot melt)	5,015,722	8,463,27
PS Plates	3,310,891	6,992,82
Ink	1,951,704	2,723,76
Chemicals	2,238,377	2,540,84
Packing Material	2,075,314	2,185,76
	<u>150,816,671</u>	<u>244,396,31</u>
<b>Details of inventory</b>		
Raw materials		
Paper	1,916,162	4,856,78



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20. Publication expenses

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Royalty	125,377	244,036
Printing charges	8,805,091	19,287,457
Power and fuel	1,898,238	2,577,704
Repairs and maintenance - machinery	1,768,368	1,011,510
Consumption of stores and spares	6,566,063	5,213,547
	<u>19,163,137</u>	<u>28,334,254</u>

21. Increase in inventories

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Inventories at the end of the year		
Finished goods	3,195,653	-
Stores and spares	4,354,092	3,581,251
	<u>7,549,745</u>	<u>3,581,251</u>
Inventories at the beginning of the year		
Work-in-progress	-	70,202
Stores and spares	3,581,251	3,242,840
	<u>3,581,251</u>	<u>3,313,042</u>
<b>Increase in inventories</b>	<b>(3,968,494)</b>	<b>(268,209)</b>

22. Selling and distribution expenses

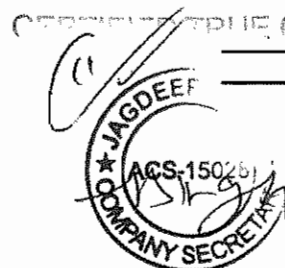
	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Freight and cartage expenses	3,343,343	4,837,063
Business promotion expenses	909,821	-
	<u>4,253,164</u>	<u>4,837,063</u>

23. Employee benefits expense

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Salaries, wages and bonus	16,731,551	19,276,518
Contribution to provident and other funds	1,255,709	1,276,799
Gratuity expense (refer note 28)	964,440	1,198,293
Staff welfare expenses	1,012,879	1,421,821
	<u>19,964,579</u>	<u>23,173,431</u>

24. Depreciation and amortization expense

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Depreciation of property, plant and equipment	3,223,614	3,420,910
Amortization of intangible assets	244,154	526,142
	<u>3,467,768</u>	<u>3,947,052</u>



25. Finance cost

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Interest - others	8,707,089	13,665,361
Bank charges	2,574	27,638
Loan processing fees	2,875	171,000
	<u>8,712,538</u>	<u>13,863,999</u>

26. Other expenses

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Outsource services	8,861,527	8,903,384
Rent	2,823,280	5,126,707
Repairs and maintenance - building	1,211,411	1,687,549
Insurance	461,870	280,417
Travelling and conveyance	647,690	347,442
Communication cost	160,914	195,252
Security charges	1,214,796	1,151,373
Printing and stationery	45,012	72,589
Legal and professional fee	524,738	688,050
Lease rent-vehicles	1,693,822	-
Corporate social responsibility (refer note 37)	1,000,000	700,000
Payment to auditors (refer details below)	875,984	857,461
Loss on sale of fixed assets (net)	-	779,801
Miscellaneous expenses	352,202	251,354
	<u>19,873,246</u>	<u>21,041,379</u>

Payment to auditor

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
As auditor:		
Audit fee	817,302	801,500
Out of pocket expense	58,682	55,961
	<u>875,984</u>	<u>857,461</u>

27. Earning per share (EPS)

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

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Profit after tax	38,593,966	125,955,699
Net profit for calculation of basic and diluted EPS	38,593,966	125,955,699
Number of equity shares at the beginning of the year	12,000	12,000
Total number of average equity shares outstanding at the end of the year for basic EPS	12,000	12,000
Total number of average equity shares outstanding at the end of the year for diluted EPS	12,000	12,000
Basic EPS	3,216.16	10,496
Diluted EPS	3,216.16	10,496

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28. Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service.

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

Statement of profit & loss

Net employee benefit expense recognized in the employee cost

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Current service cost	264,108	178,037
Interest cost on benefit obligation	103,190	108,859
Expected return on plan assets	-	-
Acquisition/Business Combination/Divestiture (Refer note 'a' below)	252,205	916,717
Net actuarial (gains)/losses recognized in the period/year	344,937	(5,320)
Net benefit expense	964,440	1,198,293

Balance sheet

Benefit asset/(liability)

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Present value of defined benefit obligation	2,299,146	1,572,062
Fair value of plan assets	-	-
Plan liability	(2,299,146)	(1,572,062)

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

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Opening defined benefit obligation	1,572,062	566,283
Current service cost	264,108	178,037
Interest cost	103,190	108,859
Benefits paid	(237,356)	(192,514)
Acquisition/Business Combination/Divestiture (Refer note 'a' below)	252,205	916,717
Actuarial (gains) / losses on obligation	344,937	(5,320)
Closing defined benefit obligation	2,299,146	1,572,062

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

	31 March 2017	31 March 2016
Discount rate	7.30%	8%
Expected rate of return on assets	N.A.	N.A.
Employee turnover	Service upto 5 years: 5%	Service upto 5 years: 5%
	Service above 5 years: 1%	Service above 5 years: 1%
Mortality	IALM (2006-08) Ultimate	IALM (2006-08)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

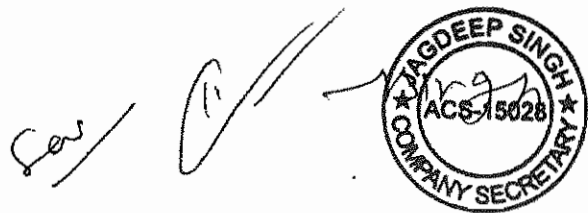
Amounts for the current and previous five years are as follows:

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)	31 March 2015 (Amount in Rs.)	31 March 2014 (Amount in Rs.)	31 March 2013 (Amount in Rs.)
Defined benefit obligation	2,299,146	1,572,062	566,283	360,460	232,228
Plan assets	-	-	-	-	-
Deficit	2,299,146	1,572,062	566,283	360,460	232,228
Experience adjustments - plan liabilities	197,541	20,043	5,711	44,163	3,117

Note:

- a. In 31 March 2016, 12 employees have been transferred from Rajendra Ravindra Printers Private Limited (merged with Vikas Publishing House Private Limited w.e.f. appointed date 01 April 2014) to the Company on 1 April 2015. A liability of Rs. 1,017,757 w.r.t. transfer of these employees has been shown as an acquisition cost. Further, 6 employees have been transferred from the Company to S Chand and Company Limited (Formerly S Chand and Company Private Limited) on 1 April 2015. A liability of Rs. 101,040 w.r.t. transfer of these employees has been shown as an acquisition gain. Therefore, net acquisition cost of Rs. 916,717 has been shown as acquisition cost.

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29. Leases

Operating lease: company as lessee

- a. The Company has taken machinery 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. 337,500 (31 March 2016: Rs 2,025,000). There are no restrictions imposed by the lease agreements. There are no sub leases.
- b. The Company has taken premises for factory use under operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to Rs. 2,485,780 (31 March 2016: 3,101,707). There are no restrictions imposed by the lease agreements. There are no sub leases.

Further minimum rental payable under non. cancellable operating lease are as follows :

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Within one year	1,355,656	1,355,656
After one year but not more than five years	2,824,283	4,179,939

30. Related party disclosure

Names of related parties and related party relationship

Related parties where control exists

Holding Company

S Chand and Company Limited (Formerly S Chand and Company Private Limited)

Related parties with whom transactions have taken place during the year

Fellow subsidiaries

Vikas Publishing House Private Limited  
 Safari Digital Education Initiatives Private Limited  
 New Saraswati House (India) Private Limited

Enterprise over which KMP or their relatives exercise significant influence

Smartivity Labs Private Limited (w.e.f. 5 Aug 2015)

Key Management Personnel

Mrs Nirmala Gupta, Whole time Director (till 20 May 2016)  
 Mr Himanshu Gupta, Whole time Director (till 20 May 2016)  
 Mr Himanshu Gupta, Director (w.e.f. 20 May 2016)  
 Mr Gaurav Kumar Jhunjhnuwala, Whole time Director (till 20 May 2016)  
 Mrs Savita Gupta, Director  
 Mr Dinesh Kumar Jhunjhnuwala, Director  
 Mrs Neerja Jhunjhnuwala, Director (till 20 May 2016)  
 Mrs Neerja Jhunjhnuwala, Whole time Director (w.e.f. 20 May 2016)  
 Mrs Ankita Gupta, Director

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**Related party transactions**

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

**b) Transactions with the related parties**

(Amount in Rs.)

Nature of transactions	Period/Year Ended	Holding Company	Fellow subsidiaries	Enterprise over which KMP or their relatives exercise significant influence	Key management personnel	Total
<b>Printing charges paid</b>						
Vikas Publishing House Private Limited	31 March 2017	-	8,805,091	-	-	8,805,091
	31 March 2016	-	19,287,457	-	-	19,287,457
<b>Rent paid</b>						
S Chand and Company Limited	31 March 2017	337,500	-	-	-	337,500
	31 March 2016	2,025,000	-	-	-	2,025,000
<b>Investment made during the year</b>						
Safari Digital Education Initiatives Private Limited	31 March 2017	-	-	-	-	-
	31 March 2016	-	15,500,000	-	-	15,500,000
<b>Advance given during the year</b>						
Safari Digital Education Initiatives Private Limited	31 March 2017	-	-	-	-	-
	31 March 2016	-	196,500,000	-	-	196,500,000
Smartivity Labs Private Limited	31 March 2017	-	-	-	-	-
	31 March 2016	-	-	1,500,000	-	1,500,000
<b>Interest income</b>						
Safari Digital Education Initiatives Private Limited	31 March 2017	-	25,508,168	-	-	25,508,168
	31 March 2016	-	13,306,071	-	-	13,306,071
<b>Remuneration to directors</b>						
Nirmala Gupta	31 March 2017	-	-	-	800,000	800,000
	31 March 2016	-	-	-	4,800,000	4,800,000
Himanshu Gupta	31 March 2017	-	-	-	250,000	250,000
	31 March 2016	-	-	-	1,500,000	1,500,000
Gaurav Kumar Jhunjhunwala	31 March 2017	-	-	-	200,000	200,000
	31 March 2016	-	-	-	1,200,000	1,200,000
Neerja Jhunjhunwala	31 March 2017	-	-	-	3,000,000	3,000,000
	31 March 2016	-	-	-	-	-
<b>Sales/ Job Work</b>						
S Chand and Company Limited	31 March 2017	206,297,499	-	-	-	206,297,499
	31 March 2016	468,220,875	-	-	-	468,220,875
New Saraswati House (India) Private Limited	31 March 2017	-	44,455,716	-	-	44,455,716
	31 March 2016	-	16,588,439	-	-	16,588,439
Vikas Publishing House Private Limited	31 March 2017	-	-	-	-	-
	31 March 2016	-	12,564	-	-	12,564
<b>Sale of paper/consumables</b>						
Vikas Publishing House Private Limited	31 March 2017	-	1,375,035	-	-	1,375,035
	31 March 2016	-	-	-	-	-
<b>Sale of fixed assets</b>						
Vikas Publishing House Private Limited	31 March 2017	-	6,025,676	-	-	6,025,676
	31 March 2016	-	-	-	-	-
<b>Purchase of fixed assets</b>						
Vikas Publishing House Private Limited	31 March 2017	-	6,974,281	-	-	6,974,281
	31 March 2016	-	-	-	-	-

**c) Balance outstanding**

(Amount in Rs.)

Particulars	Year Ended	Holding Company	Fellow subsidiaries	Enterprise over which KMP or their relatives exercise significant influence	Key management personnel	Total
<b>Trade receivable</b>						
S Chand and Company Limited	31 March 2017	152,672,544	-	-	-	152,672,544
	31 March 2016	247,309,604	-	-	-	247,309,604
New Saraswati House (India) Private Limited	31 March 2017	-	40,213,127	-	-	40,213,127
	31 March 2016	-	16,588,439	-	-	16,588,439
Vikas Publishing House Private Limited	31 March 2017	-	472,648	-	-	472,648
	31 March 2016	-	-	-	-	-
<b>Loan and advances</b>						
Smartivity Labs Private Limited	31 March 2017	-	-	1,500,000	-	1,500,000
	31 March 2016	-	-	-	-	-
Safari Digital Education Initiatives Private Limited	31 March 2017	-	235,202,214	-	-	235,202,214
	31 March 2016	-	212,667,863	-	-	212,667,863
<b>Trade payable</b>						
Vikas Publishing House Private Limited	31 March 2017	-	-	-	-	-
	31 March 2016	-	2,512,418	-	-	2,512,418
<b>Remuneration to directors payable</b>						
Neerja Jhunjhunwala	31 March 2017	-	-	-	300,000	300,000
	31 March 2016	-	-	-	-	-



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31. Contingent liabilities

	31 March 2017 (Amount in Rs.)	31 March 2016 (Amount in Rs.)
Corporate Guarantee against cash credit facility availed by Holding company	71,704,884	238,859,021
Income tax demand*	66,911,797	66,911,797

\*Net of tax deposited by the Company of Rs. 8,000,000 against the above demand. The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

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

The Company has requested its various suppliers, who may be the enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, to furnish the relevant registration certificate under that Act, but the said information is yet to be received till date; and hence, in absence of the same, no specific amount of outstanding on account of purchases made / services obtained from such suppliers can be ascertained.

33. Imported and indigenous raw materials, components and spare parts consumed

	31 March 2017		31 March 2016	
	Percentage (%)	Amount (Rs.)	Percentage (%)	Amount (Rs.)
Raw Materials				
Imported	-	-	-	-
Indigenously obtained	100%	153,757,298	100%	240,630,187
	100%	153,757,298	100%	240,630,187

34. Disclosure required under Sec 186(4) of the Companies Act 2013

Included in loans and advance are certain loans the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013:

Name of the loanee	Rate of Interest	Due date	Secured/ unsecured	31 March 2017	31 March 2016
Safari Digital Education Initiatives Private Limited	12% p.a.	3 years	Unsecured	235,202,214	212,667,863

The loans have been utilized for meeting their working capital requirements.

35. The Company has only one reportable business segment, which is printing and binding of books and operates in a single business segment based on the nature of the services, the risk and returns, the organization structure and the internal financial reporting systems. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

36. Discloser on Specified Bank Note

During the year the Company had specified Bank Notes (SBNs) or other denomination notes are defined in the MCA notification, GSR 308(E), dated 31 March 2017. The detail of SBNs held and transacted during the period from 08 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification are as follows;

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	10,500	17,047	27,547
Add: Permitted receipt	-	-	-
Less: Permitted payment	-	-	-
Less: Cash deposited in banks	(10,500)	-	(10,500)
Closing cash in hand as on 30 December 2016	-	17,047	17,047

37. Corporate Social Responsibility (CSR)

In case of Nirja, the Company has contributed Rs 1,000,000 out of the total contributable amount of Rs 2,689,329 (31 March 2016: Rs 2,185,436) as of 31 March 2017 in accordance with section 135 read with schedule VII to the Companies Act, 2013 to a society involved in promoting education, including special education and employment enhancement vocational skill specially among children and students. Unspent amount has not been provided in books.

38. Previous period figures

Previous period figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

As per our report of even date  
For S.R. Batliboi & Associates LLP  
Firm registration number : 101049W/E300004  
Chartered Accountants

per Yogesh Midha  
Partner  
Membership No: 94941  
Date: 06/06/2017  
Place: New Delhi



For and on behalf of the Board of Directors of  
Nirja Publishers & Printers Private Limited

*Saurabh Singh*  
Director  
DIN-00053988

*(Signature)*  
Director  
DIN-00054015

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