



MADAN & ASSOCIATES

CHARTERED ACCOUNTANTS

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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.



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;



- (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 8th 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



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.



(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 State 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



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

DS DIGITAL PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	568,993,200	408,993,200
(b) Reserves and Surplus	4	(319,585,773)	(253,663,814)
2 Non-current Liabilities			
(a) Long-term Borrowings	5	70,380,315	71,788,000
(b) Long-term Provisions	6	4,633,119	3,166,638
3 Current Liabilities			
(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
TOTAL		528,208,105	477,757,278
II. ASSETS			
Non-current Assets			
1 (a) Fixed Assets			
(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
2 Current Assets			
(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
TOTAL		528,208,105	477,757,278

III Significant Accounting Policies

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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
M. K. Madan
PROPRIETOR
Membership No. 82214

Place : New Delhi
Date : 08/06/2017



For and on behalf of Board of Directors

Himanshu Gupta
Himanshu Gupta
Director
DIN : 00054015

Mona Kaushik
Mona Kaushik
Company Secretary
ACS- 25230

Atul Nischal
Atul Nischal
Director
DIN : 02071693

Brahmdutt Sharma
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)		293,193,373	234,330,334
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		276,156,576	183,567,248
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		(65,921,959)	(33,071,216)
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

Place : New Delhi
Date : 08/06/2017



For and on behalf of Board of Directors

Himanshu Gupta
Himanshu Gupta
Director
DIN : 00054015

Mona Kaushik
Mona Kaushik
Company Secretary
ACS - 25230

Atul Nischal
Atul Nischal
Director
DIN : 02071693

Brahmdutt Sharma
Brahmdutt Sharma
Chief Financial Officer

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

	<u>31.03.2017</u>	<u>31.03.2016</u>
	Amount (Rs.)	Amount (Rs.)
Cash Flows provided by operating activities		
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	-	-
Net cash provided by operating activities	(71,870,641)	38,051,150
Cash flows used in investing activities:		
Purchase of property and equipment	(68,682,988)	(34,046,908)
Net cash acquired on acquisition of business	-	-
Purchase of investments	-	-
Net cash used in investing activities	(68,682,988)	(34,046,908)
Cash flows from financing activities:		
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)	-
Net cash provided by financial activities	139,784,131	-
Effects of Exchange rates on cash	-	-
Net increase/(decrease) in cash & cash equivalents	(769,500)	4,004,243
Supplementary Disclosure of cash flow information		
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



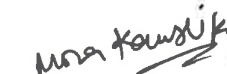
M. K. Madan
PROPRIETOR
Firm Regs. No. 000185N

Place : New Delhi
Date : 08/06/2017

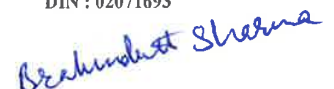


For and on behalf of Board of Directors


Himanshu Gupta
Director
DIN : 00054015


Mona Kaushik
Company Secretary
ACS - 25230


Atul Nischal
Director
DIN : 02071693


Brahmdukt Sharma
Chief Financial Officer

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 mothly** basis.



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DS

Margaret

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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 Acturial 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.



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.)
a) Authorised:				
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) Issued, subscribed and fully paid-up share capital:				
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.)
Equity Shares:				
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>
Preference Shares:				
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
Equity shares of Rs. 10/- each fully paid-up				
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
Preference shares of Rs. 10/- each fully paid-up				
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



	As at 31 March 2017	As at 31 March 2016
4 Reserves & Surplus		
Surplus/ (Deficit) in Statement of Profit & Loss		
Opening Balance	(253,663,814)	(220,592,598)
Add: Profit/(Loss) during the period	(65,921,959)	(33,071,217)
Closing Balance	<u>(319,585,773)</u>	<u>(253,663,814)</u>
5 Long-Term Borrowings		
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
	<u>8,210,836</u>	<u>14,967,321</u>
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/-).		
6 LONG TERM PROVISIONS		
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>
7 SHORT TERM BORROWINGS		
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
8 TRADE PAYABLES		
Trade Creditors	135,040,893	78,080,347
	135,040,893	78,080,347

9 OTHER CURRENT LIABILITIES

(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	6,783,225	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
	39,244,316	134,168,352

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.

10 SHORT TERM PROVISIONS

Provision For employees benefits

Gratuity	288,164	210,707
Leave Encashment	420,565	301,108
Bonus	807,755	833,881
	1,516,484	1,345,696

12 DEFERRED TAX ASSETS (Net)

Tax effect on items constituting deferred tax liabilities

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

Tax effect on items constituting deferred tax assets

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)	97,474,119	97,474,119
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12.1 No further deferred tax assets has been recognised during the period despite increase in revenue following principle of conservatism.



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

11. FIXED ASSETS SCHEDULE (As per Companies Act)

Financial Year: 2016-17 (Mandatory) (Consolidated - HO, G.L.C. VASUNDHRA, INDIRAPURAM, RAJINDER NAGAR)

S.NO.	ASSETS CLASS	GROSS BLOCK			DEPRECIATION PROVIDED DURING THE PERIOD	ON DISPOSAL DURING THE PERIOD	NET BLOCK	
		OPENING BALANCE 01.04.2016	ADDITIONS DURING THE PERIOD	DISPOSAL DURING THE PERIOD			IMPAIRMENT LOSS 31.03.2017	CLOSING BALANCE 31.03.2017
(a)	Tangible Assets							
1	Furniture & Fixtures	13,331,839	368,543	-	1,620,268	-	6,014,695	2,685,337
2	Office Equipment	3,899,868	194,550	-	569,025	-	2,397,876	1,696,642
3	Computers & Peripherals	160,056,546	23,646,227	-	24,080,138	-	105,742,518	79,960,255
4	Motor Vehicle	900,784	-	-	43,645	-	539,423	361,371
5	Fleet & Machinery	1,522,472	-	-	102,545	-	312,145	1,010,327
	Total	179,711,669	26,209,320	-	26,415,622	-	115,206,658	96,714,331
(b)	Intangible assets							
1	Intangible asset (contant)	220,534,271	41,233,590	-	22,072,213	-	117,262,823	144,495,338
2	Computer Software	3,543,368	-	-	378,709	-	1,868,363	1,673,945
3	Computer Software	146,700	90,000	-	38,358	-	124,403	112,297
4	Computer Software	29,770	414,000	-	147,735	-	148,084	295,686
	Total	224,243,349	41,727,590	-	22,637,213	-	119,403,673	146,577,266
(c)	Capital Development in Progress							
1	Content WIP	19,056,615	39,661,599	41,233,590	-	-	17,454,534	17,454,534
	Total	19,056,615	39,661,599	41,233,590	-	-	17,454,534	17,454,534
	Total	423,278,671	109,916,587	41,233,590	49,053,834	-	234,699,731	257,351,936
	Current Year Total	423,278,671	109,916,587	41,233,590	49,053,834	-	234,699,731	257,351,936

11.1 Pre-operative expenses represent pre-launch Rent, Salary and other revenue expenses in respect of Rise Learning Centre-Greenfield-Faridabad. Trial run was started in July'16 and has continued till Mar'17.

11.2 Content Development in Progress includes Rs 1,63,61,077/- on account of employee benefit expenses capitalized during the year. During the year Rs. 15,46,162 has been capitalized as against Rs. Nil, in previous year.

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	As at 31 March 2017	As at 31 March 2016
13 LONG TERM LOANS & ADVANCES		
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.		
14 INVENTORIES		
(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>
15 TRADE RECEIVABLES		
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)	<u>77,541,339</u>	<u>69,673,927</u>
	141,566,073	116,590,242
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.		
16 CASH AND BANK BALANCES		
<u>Cash and cash equivalents shall be classified as:</u>		
(i) Balances with banks	6,026,726	6,793,982
(ii) Cash in hand	<u>37,283</u>	<u>39,529</u>
	<u>6,064,010</u>	<u>6,833,510</u>
17 SHORT TERM LOANS & ADVANCES		
(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	1,414,503
(iii) Advance to suppliers	1,829,921	2,656,792
(iv) Prepaid Expenses (Refer note 17.1)	<u>2,046,085</u>	<u>543,340</u>
	<u>14,337,864</u>	<u>12,887,013</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
18 Revenue From Operations		
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	-
	292,714,580	234,032,261
18.1 Products wise sale breakup		
Computer & Peripherals	131,163,225	44,103,033
Maths and Science Labs (Kit)	102,933	1,022,407
	131,266,158	45,125,440
18.2 Income from Pre school activities are booked on receipt basis.		
18.3 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.		
19 Other Income		
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
	478,793	298,073
	For the period ended 31 March 2017	For the period ended 31 March 2016
20 Purchase & Implementation Cost		
Computer & Peripherals	116,763,181	41,630,042
E Books	124,983	-
Science Labs (Kit)	304,916	627,751
English Labs (Kit)	313,710	-
	117,506,790	42,257,793
21 Increase (Decrease) in Inventories		
<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	(4,809,732)	(1,020,881)
22 Employee Benefit Expense		
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
	72,098,389	56,875,462
23 Finance Cost		
Interest	16,878,725	21,260,197
Bank Charges	767,156	252,738
	17,645,881	21,512,935
24 Other Expenses		
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	(65,921,959)	(33,071,217)
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	(65,921,959)	(33,071,217)
Weighted average number of equity shares in calculating Basic EPS	34,728,920	34,728,920
Weighted average number of equity shares in calculating Diluted EPS	34,728,920	34,728,920
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 Substantial Shareholdings
 - 5) Key Management Personnel

-S Chand and Company Limited
 -Safari Digital Education Initiatives Pvt Ltd
 -Edutor 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 Jhunjhuwala
 - 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 Edutor Technologies I Pvt Ltd.	613,467 (1,790,160)			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 Hotel Tourist S Chand and Company Limited Edutor Technologies India Pvt Ltd	80,194 -			131,664 (712,545) 3,740,783 (2,481,399)	651,586 (615,899)
Salary, Perks and Allowances Mona Kaushik			1,087,971 (821,784)		
Interest Expense Safari Digital Education Initiatives Pvt Ltd S Chand and Company Limited	2,836,198 (10,568,917)	6,432,000 (3,578,532)			
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 New Saraswari House (India) Private Limited Vikas Publishing House Private Limited				1,832,849 (6,516,999) 2,580,971 (9,208,607)	227,000 (227,000)
Trade Payables as at 31st March 2017 Edutor Technologies I Pvt. Ltd. S Chand and Company Limited Hotel Tourist	18,036,745 (48,702,285)			1,501,881 (101,732)	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.)
Earnings in foreign exchange:		
A. Export of goods /Services	59,378,107	56,548,032
	<u>59,378,107</u>	<u>56,548,032</u>
Expenditure in foreign currency		
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
Net employee benefit expense recognised in employee cost				
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	91,339	27,771	77,147	283,111
Net benefit expense	909,732	616,697	1,006,988	901,242
Actual return on plan assets	-	-	-	-
Expected Return on plan assets	-	-	-	-
Actuarial gain/(loss) on plan assets	-	-	-	-
Actual return on plan assets	-	-	-	-
Balance sheet				
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)	-	-	-	-
Changes in the present value of the defined benefit obligation (DBO)				
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
Closing defined benefit obligation	2,781,033	1,917,455	2,560,815	1,760,998
Changes in fair value of plan assets	-	-	-	-
Opening fair value of plan assets	-	-	-	-
Expected Return	-	-	-	-
Contributions by employer	-	-	-	-
Benefit paid	-	-	-	-
Actuarial gain/(loss)	-	-	-	-
Closing fair value of plan assets	-	-	-	-

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

	6.95%	6.55%	6.95%	6.55%
Discount rate	6.95%	6.55%	6.95%	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	IAIAM (2006-08) Ultimate	IAIAM (2006-08) Ultimate	IAIAM (2006-08) Ultimate	IAIAM (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.



MDA

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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 benefit 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 Dues to Micro, small and medium enterprises as defined under the MSME 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. 82214

For and on behalf of Board of Directors

Himanshu Gupta
Director
DIN 00054015

Atul Nischal
Director
DIN : 02071693

Place : New Delhi
Date : 08/06/2017

Mona Kaushik
Mona Kaushik
Company Secretary

Brahmdukt Sharma
Brahmdukt Sharma
Chief Financial Officer

ACS-25230

