



MADAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Flat No.1003, 10th 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 S. Chand Edutech Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **S. Chand Edutech Private Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss, 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 flow 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 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, requirement of the same are not 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 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 A”; 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: 25.05.2017



Annexure - A 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 **S. Chand Edutech 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.

For Madan & Associates

Chartered Accountants

Firm's registration number: 000185N

M.K. Madan

M. K. Madan

Proprietor

Membership number: 082214

Place: New Delhi

Date: 25.05.2017



S CHAND EDUTECH PVT. LTD.
REGD. OFFICE : 7361, RAVINDRA MANSION, RAM NAGAR, NEW DELHI-110055

BALANCE SHEET AS AT 31ST MARCH, 2017

<u>Particulars</u>	Note No	As at 31st March, 2017 Amount (Rs.)	As at 31st March, 2016 Amount (Rs.)
A. <u>EQUITY AND LIABILITIES</u>			
(1) Shareholders' Funds			
(a) Share Capital	3	212,700	212,700
(b) Reserves and Surplus	4	(28,496,378)	(28,196,603)
(2) Non-current Liabilities			
(a) Long Term Borrowings	5	21,843,645	21,843,645
(3) Current Liabilities			
(a) Trade Payables	6	12,416,786	8,227,254
(b) Other Current Liabilities	8	2,250,027	3,009,110
TOTAL		8,226,780	5,096,106
B. <u>ASSETS</u>			
(1) Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	7(A)	54,434	94,049
(ii) Intangible assets	7(B)	7,991,783	4,293,481
(2) Current Assets			
(a) Cash and Cash Equivalents	9	47,802	24,190
(b) Other Current Assets	10	132,761	684,387
TOTAL		8,226,780	5,096,106

Significant Accounting Policies

2.1

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

Dinesh Kumar

Dinesh Kumar
Jhunjhunwala
DIN: 00282988

Himanshu Gupta

Himanshu Gupta
DIN: 00054015

Place : New Delhi
Date : 25th May 2017



S CHAND EDUTECH PVT. LTD.
REGD. OFFICE : 7361, RAVINDRA MANSION, RAM NAGAR, NEW DELHI-110055

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

S.No	Particulars	Note No	For the Year ended 31st March, 2017 Amount (Rs.)	For the Year ended 31st March, 2016 Amount (Rs.)
I.	Revenue			
	(a) Revenue from operations	11	1,298,697	6,012,945
	(b) Other Income	11A	27,187	1,733
II.	Total Revenue		1,325,884	6,014,678
III.	Expenses			
	(a) Employee benefit expenses	12	290,935	2,514,209
	(b) Other expenses	14	509,251	449,673
IV.	Total Expenses		800,186	2,963,882
V.	Profit before Interest depreciation taxes and exceptional & extraordinary items (PBDIT)		525,698	3,050,796
	(c) Finance costs	13	9,782	390
	(d) Depreciation and amortization expenses	7	815,691	822,954
VI.	Exceptional Items (Income)	11B	-	5,121,240
VII.	Profit/(Loss) before Tax		(299,775)	7,348,692
VIII.	Tax expense		-	-
IX.	Profit / (loss) transferred to Balance Sheet (XV - XVI)		(299,775)	7,348,692
X.	Earnings/ (Loss) per equity share (EPS)	15		
	(a) Basic		(14)	345
	(b) Diluted		(14)	345

Significant Accounting Policies

2.1

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

M. K. Madan
PROPRIETOR
Membership No. 82214

Place : New Delhi
Date : 25th May 2017

For and on behalf of Board of Directors

Dinesh Kumar
Jhunjhunwala
DIN: 00282988

Himanshu Gupta
DIN: 00054015



S CHAND EDUTECH PVT. LTD.
REGD. OFFICE : 7361, RAVINDRA MANSION, RAM NAGAR, NEW DELHI-110055
Statement of Cash Flows For The Year Ended 31st March, 2017

	<u>31.03.2017</u>	<u>31.03.2016</u>
	Amount (Rs.)	Amount (Rs.)
Cash Flows provided by operating activities		
Net Loss	(299,775)	7,348,691
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation/Impairment	815,691	822,954
Provision for Gratuity and Leave Encashment	-	-
Provision for doubtful accounts	-	-
	515,917	8,171,646
Changes in assets & liabilities:		
Prepaid & other current & non current assets	551,626	(498,428)
Inventories	-	-
Accounts payable with short term Liabilities	3,430,445	2,371,545
Accruals & other liabilities long term	0	(17,747,702)
Deferred revenue Expenditure	-	-
Net cash provided by operating activities	4,497,990	(7,702,939)
Cash flows used in investing activities:		
Purchase of property and equipment/CWIP	(4,474,378)	7,612,568
Net cash acquired on acquisition of business	-	-
Purchase of investments	-	-
Net cash used in investing activities	(4,474,378)	7,612,568
Cash flows from financing activities:		
Capital from shareholders	-	-
Borrowings	-	-
Bank/Financial Institutional borrowings	-	-
Net cash provided by financial activities	-	-
Effects of Exchange rates on cash	-	-
Net increase/(decrease) in cash & cash equivalents	23,612	(90,371)
Supplementary Disclosure of cash flow information		
Income taxes paid	-	-
Interest paid	9,782	390
Opening cash	24,190	114,561
Closing cash	47,802	24,190
Increase (Decrease)	23,612	(90,371)

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



M.K. Madan
PROPRIETOR
Membership No. 82214

For and on behalf of Board of Directors



Dinesh Kumar
Jhunjunwala
DIN: 00282988



Himanshu Gupta
DIN: 00054015

Place : New Delhi
Date : 25th May 2017



S CHAND EDUTECH 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

S Chand Edutech Private Limited (the company) is a private limited company incorporated under the provisions of companies Act 1956. The company is subsidiary of Safari Digital Education Initiative Pvt. Ltd. S Chand And Company Limited is the ultimate holding company for all publishing business of S Chand group. The company is primarily engaged in promoting simulation based blended learning solutions in India to fill the gap being faced by students in technical 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 or net realisable value after providing for obsolescence, if any.

B. Cash and Cash equivalents

Cash and cash equivalents in 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 past 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/ loss.

E. Depreciation and amortization:

- a) Depreciation on tangible fixed assets is calculated on Straight Line basis using the useful life 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 except computer and peripherals whose useful life considered 6 years instead of 3 years on the basis of past experience.
- 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. 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.
- c) Assessment of indication of impairment of an asset is made at the time of quarterly/yearly audit and impairment loss, if any, is recognised.

F. Revenue Recognition

- a) All incomes and expenses are accounted for on accrual and prudent basis.
- b) Domestic sale of goods is recognised on dispatch of the goods.

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 working on the development of Content i.e. Intangible Assets under various projects.

I. Foreign Currency Transactions

In accordance with the Accounting Standard AS-11 on "Effects of changes in foreign exchange rate" as prescribed by the ICAI, period-end balance of foreign currency transactions is translated at the period-end rates and the corresponding effect is given in the respective accounts. Transactions completed during the period are adjusted on actual basis.

J. Retirement Benefits

- a) Provident Fund Act is not applicable on the company.
- b) Since no employee has completed five years in the company, liability for valuation of Gratuity does not arise.
- c) Leave Encashment Liability charged in PL during the period.



S CHAND EDUTECH PVT. LTD.
NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017 (Contd...)

3. Share Capital

	As at 31st March,2017		As at 31st March,2016	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised shares:				
Equity shares of Rs. 10/- each	100,000	1,000,000	100,000	1,000,000
Issued, subscribed and fully paid-up share capital:				
Equity shares of Rs. 10/- each	21,270	212,700	21,270	212,700

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

	As at 31st March,2017		As at 31st March,2016	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the period	21,270	212,700	21,270	212,700
Shares issued during the period	-	-	-	-
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the period	21,270	212,700	21,270	212,700

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

	As at 31st March,2017	As at 31st March,2016
	Amount (Rs.)	Amount (Rs.)
Safari Digital Education Initiatives Pvt Ltd	157,400	157,400

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

	As at 31st March,2017		As at 31st March,2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ventureskies, FZE *(Refer footnote)	3695	17.37%	3695	17.37%
Ilario Lyubenov Astinov	1835	8.63%	1835	8.63%
Safari Digital Education Initiatives Pvt Ltd	15740	74.00%	15740	74.00%

* Firm is dissolved. In absence of beneficiary share transfer is pending.



S CHAND EDUTECH PVT. LTD.
NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017 (Contd...)

NOTE - 4. RESERVES & SURPLUS

Particulars	As at 31st March, 2017 Amount (Rs.)	As at 31st March, 2016 Amount (Rs.)
Surplus / (deficit) in the statement of profit and loss		
At the beginning of the period	(28,196,603)	(35,545,295)
Net Loss for the current period	(299,775)	7,348,692
Closing Balance	(28,496,378)	(28,196,603)

NOTE - 5. Long Term Borrowings

Particulars	As at 31st March, 2017 Amount (Rs.)	As at 31st March, 2016 Amount (Rs.)
UNSECURED		
Safari Digital Education Initiative Pvt. Ltd. (Interest free loan)	21,843,645	21,843,645
Total	21,843,645	21,843,645

NOTE - 6. TRADE PAYABLE

Particulars	As at 31st March, 2017 Amount (Rs.)	As at 31st March, 2016 Amount (Rs.)
Trade Payables	12,416,786	8,227,254
Total	12,416,786	8,227,254

6.1 Trade payables includes Rs 1,24,16,786/- for S. Chand And Company Ltd. company/entity under the same

Sudhakar

(Signature)



NOTE - 8. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2017 Amount (Rs.)	As at 31st March, 2016 Amount (Rs.)
Employee Imprest	-	87,802
TDS Payable	2,000	14,500
Other current liabilities	-	-
Salary & Reimbursements	-	262,621
Expenses Payable	34,200	61,320
Service Tax Payable	41,320	740,629
Technical Know how Fees	2,172,507	1,842,239
Total	2,250,027	3,009,110

NOTE - 9. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2017 Amount (Rs.)	As at 31st March, 2016 Amount (Rs.)
(a) Balances with Banks HDFC Bank Ltd	41,996	17,665
(b) Cash In hand	5,806	6,525
Total	47,802	24,190

Note - 10. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2017 Amount (Rs.)	As at 31st March, 2016 Amount (Rs.)
TDS Receivable	129,870	604,133
Other Receivables	-	-
Service Tax Credit Available	-	-
Sundry Debtors Considered Good	2,891	80,252
Prepaid Expenses	-	-
Total	132,761	684,387

Handwritten signature

Handwritten signature



S CHAND EDUATECH PVT. LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017 (Contd...)

NOTE - 7. FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK		ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as on 1st April 2016	Additions/ (Disposals)	Balance as on 31st March 2017	Balance as on 1st April 2016	Depreciation charged during the period	Balance as on 31st March 2017	Balance as on 31st March 2016
A. Tangible Assets							
(a) Office Equipment	48,938	-	48,938	43,196	3,295	2,446	5,741
(b) Computer	604,863	-	604,863	516,555	36,320	51,988	88,308
Total (A)	653,801	-	653,801	559,751	39,615	54,434	94,049
B. Intangible Assets							
(a) Copyrights (Refer note 7.1)	1,930,239	-	1,930,239	955,581	192,462	782,196.42	974,658
(b) Website Designing (Refer note 7.1)	322,754	-	322,754	209,263	17,877	95,614	113,491
(c) Technical Knowhow (Refer note 7.1)	5,539,034	-	5,539,034	2,333,701	565,738	2,639,595	3,205,332
(d) CWIP (Refer note 7.2)	-	4,474,378	4,474,378	-	-	4,474,378	-
Total (B)	7,792,027	4,474,378	12,266,405	3,498,545	776,076	7,991,783	4,293,481
Total (A + B)	8,445,827	4,474,378	12,920,205	4,058,297	815,691	8,046,217	4,387,530

Note 7.1

Company has derecognised the impairment loss on assets of Rs. 40,34,789/- accounted in the financial statements of quarter ending Dec'16 on the basis that the asset has started earning income subsequent to date

Note 7.2

CWIP represents cost of expenses incurred for development of "Smart Watch" by holding company- pending agreement, budget cost, economic gains & date of completion. The expenses have been capitalised on receipt of debit note from the holding company and the same has been accounted at close of year.




S CHAND EDUTECH PVT. LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017 (Contd...)

NOTE -11. REVENUE FROM OPERATIONS

Particulars	For the year ended March,2017 Amount (Rs.)	For the year ended March,2016 Amount (Rs.)
Sale of Services		
Licenses Fees	-	229,500
Mobile App Development Support	1,298,697	5,783,445
Revenue from operations	1,298,697	6,012,945
Revenue from Operations	1,298,697	6,012,945

NOTE - 11A. Other Income

Particulars	For the year ended March,2017 Amount (Rs.)	For the year ended March,2016 Amount (Rs.)
Other Income (Interest Income)	27,187	1,733
Total	27,187	1,733

NOTE - 11B. EXCEPTIONAL ITEMS (INCOME)

Particulars	For the year ended March,2017 Amount (Rs.)	For the year ended March,2016 Amount (Rs.)
Other Income	-	5,121,240
Total	-	5,121,240

Handwritten signature



Handwritten signature

S CHAND EDUTECH PVT. LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017 (Contd...)

NOTE - 12. EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended March,2017 Amount (Rs.)	For the year ended March,2016 Amount (Rs.)
Salaries, wages and bonus	290,935	2,514,209
Total	290,935	2,514,209

NOTE - 13. FINANCE COST

Particulars	For the year ended March,2017 Amount (Rs.)	For the year ended March,2016 Amount (Rs.)
Bank Charges	575	112
Interest Paid	9,207	278
Total	9,782	390

NOTE - 14. OTHER EXPENSES

	For the year ended March,2017 Amount (Rs.)	For the year ended March,2016 Amount (Rs.)
Rent	-	232,915
Insurance	-	7,868
Rates & Taxes (excluding Taxes on Income)	4,983	3,548
Travelling & Conveyance	1,278	143,552
Communication Cost	1,000	22,415
Legal & Professional Fees	122,530	9,262
Payment to Auditors		
<u>As Auditor:</u>		
Audit Fee	48,000	30,000
Exchange Rate Difference *	330,267	-
Miscellaneous Expenses	1,193	113
Total	509,251	449,673

* on technical know how fee payable.

Handwritten signature



Handwritten signature

S CHAND EDUTECH PVT. LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

NOTE - 15. EARNING PER SHARE (EPS)

Particulars	For the year ended March,2017 Amount (Rs.)	For the year ended March,2016 Amount (Rs.)
Total operations during the Period		
Profit / (loss) after tax	(299,775)	7,348,692
Less: Dividends & dividend tax on other than equity shares	-	-
Net profit / (loss) for calculation of Basic EPS	(299,775)	7,348,692
Net profit as above	(299,775)	7,348,692
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	(299,775)	7,348,692
Weighted average number of equity shares in calculating Basic EPS	21,270	21,270
Weighted average number of equity shares in calculating Diluted EPS	21,270	21,270
Earnings/ (Loss) per equity share (EPS)		
(a) Basic	(14)	345
(b) Diluted	(14)	345

NOTE - 16. 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 - Safari Digital Education Initiatives Pvt Ltd
- 2) Subsidiary Company - Not Applicable
- 3) Associate Companies - S.Chand And Company Ltd.
/ Firms - Ventureskies ,FZE (Deregistered- share transfer is pending)
- D S Digital Pvt Ltd.
- Hotel Tourist
- 4) Key Management Personnel
 - Mrs. Nirmala Gupta : Nominee Shareholder
 - Mr. Himanshu Gupta : Director
 - Mr. Dinesh Kumar : Director
Jhunjhuwala
 - Mr. Ulrich Scholten : Director
 - Ilario Lyubenov Astinov : Shareholder

Key Management personnel as mentioned in (3) above are either members / directors in aforesaid concerns.

Particulars	Holding Company (Rs.)	Associate Companies (Rs.)	Key Management Personnel & their Relatives/ Related Parties (Rs.)	Companies Under Same Management (Rs.)
(a) Transactions with the related parties				
Particulars				
App Development Support Service	1,298,697 (5,783,445)	-	-	-
Loans & Advances Received	1,106,402 (2,872,044)	-	-	-
Re-imburement of expenses	-	4,474,378	-	-
(b) Balance outstanding on 28/02/17				
Trade Payables				
S Chand And Company Ltd.	-	12,416,786 (7,942,408)	-	-
Venture Skies	-	1,455,085 (1,234,907)	-	-
Ilario Lyubenov Astinov	-	717,421 (607,332)	-	-
Long Term Borrowings				
Safari Digital Education Initiatives Pvt Ltd	21,843,645 (21,843,645)	-	-	-

Jane King



U

Particulars	Holding Company (Rs.)	Associate Companies (Rs.)	Key Management Personnel & their Relatives/ Related Parties (Rs.)	Companies Under Same Management (Rs.)
-------------	-----------------------	---------------------------	---	---------------------------------------

NOTE - 17. Provision of Income Tax

No provision of Income Tax has been made in view of NIL tax liability under normal provisions/ under section 115 JB of income Tax Act,1961.


NOTE - 18. Other

During the period company has sold mobile App to a sister concern. From the financial year beginning with 01.04.2017, company intends to carry on the business of pre - education activity and expects substantial revenue generation.


NOTE - 19.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 (Amount in Rs.)	Other (Amount in Rs.)	Total (Amount in Rs.)
Closing balance as at 8 November 2016	-	6,394	6,394
Transactions between 9 November 2016			
Add: receipts for permitted transactions	-	-	-
Add: withdrawal from bank accounts	-	-	-
Add: receipts for non-permitted	-	-	-
Less: paid for permitted transactions	-	(544)	(544)
Less: paid for non-permitted transactions	-	-	-
Less: deposited in bank accounts	-	-	-
Closing balance as at 30 December 2016	-	5,850	5,850

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


M. K. Madan
PROPRIETOR
Membership No. 82214

For and on behalf of Board of Directors


Dinesh Kumar
Jhunjhunwala
DIN: 00282988


Himanshu Gupta
DIN: 00054015

Place : New Delhi
Date : 25th May 2017

