



MADAN & ASSOCIATES

CHARTERED ACCOUNTANTS

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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.



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 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.



- (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



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



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

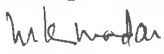
SAFARI DIGITAL EDUCATION INITIATIVES PVT LTD
REGD. OFFICE : 7361, RAVINDRA MANSION, RAM NAGAR, NEW DELHI-110055
BALANCE SHEET AS AT 31ST MARCH, 2017

| Particulars | Note No. | As at 31 March 2017 | As at 31 March 2016 |
|---|----------|------------------------|------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 3 | 443,692,680 | 443,692,680 |
| (b) Reserves and Surplus | 4 | (63,929,859) | (31,535,297) |
| (2) Non-current Liabilities | | | |
| (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 |
| (3) Current Liabilities | | | |
| (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 |
| TOTAL | | 738,080,776 | 657,912,220 |
| II. ASSETS | | | |
| (1) Non-current Assets | | | |
| (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 |
| (2) Current Assets | | | |
| (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 |
| TOTAL | | 738,080,776 | 657,912,220 |

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
PROPRIETOR
Membership No. 82214

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

Place : New Delhi
Date : 08/06/2017



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 |
|---|----------|--|--|
| I. Revenue | | | |
| (a) Revenue from operations | 18 | 59,643,926 | 28,185,025 |
| (b) Other Income - (Interest) | | 6,667,639 | 3,977,027 |
| II. Total Revenue (a + b) | | <u>66,311,566</u> | <u>32,162,052</u> |
| III. Expenses | | | |
| (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 |
| IV. Total Expenses | | <u>62,753,935</u> | <u>36,471,220</u> |
| V. Profit Before Interest Depreciation and Taxes (PBDIT) | | 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 |
| VI. Profit / (loss) before tax (II - IV) | | (32,394,562) | (19,869,923) |
| VII. Tax expense | | | |
| (a) Current tax | | - | - |
| (b) Deferred tax | | - | - |
| VIII. Profit / (loss) for the period (V-VI) | | (32,394,562) | (19,869,923) |
| IX. Prior period adjustments | | <u>(32,394,562)</u> | <u>(19,869,923)</u> |
| X. Profit / (loss) transferred to Balance Sheet (VII - VIII) | | <u>(32,394,562)</u> | <u>(19,869,923)</u> |
| XI. Earnings per equity share (EPS) | 22 | | |
| (a) Basic | | (0.73) | (0.45) |
| (b) Diluted | | (0.73) | (0.45) |

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
PROPRIETOR
Membership No. 82214

Place : New Delhi
Date : 08/06/2017

For and on behalf of Board of Directors




Saurabh Mittal
Director
DIN : 01402533

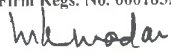
Sheeba Dhamija
Company Secretary
Mem No : A29705


Samir Khurana
Director
DIN : 02971650

Dinesh Kumar Sharma
Chief Financial Officer

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.) |
| Cash Flows provided by operating activities | | |
| Net Loss | (32,394,562) | (19,869,923) |
| Adjustments to reconcile net loss to net cash used in operating activities | | |
| 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) |
| Changes in assets & liabilities: | | |
| 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) |
| | (13,408,246) | (4,172,953) |
| Net cash provided by operating activities | | |
| Cash flows used in investing activities: | | |
| 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) |
| | (39,901,836) | (220,549,516) |
| Net cash used in investing activities | | |
| Cash flows from financing activities: | | |
| Interest Paid | (31,636,172) | (15,127,031) |
| Capital from shareholders | - | 15,500,000 |
| Long term borrowings | 87,896,727 | 223,967,863 |
| | 56,260,555 | 224,340,832 |
| Net cash provided by financial activities | | |
| Effects of Exchange rates on cash | - | - |
| Net increase/(decrease) in cash & cash equivalents | 2,950,473 | (381,637) |
| Supplementary Disclosure of cash flow information | | |
| 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


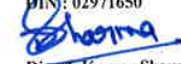
Place : New Delhi
Date : 08/06/2017



For and on behalf of Board of Directors


Saurabh Mittal
Director
DIN : 01402533

Sheeba Dhamija
Company Secretary
Mem No : A29705


Samir Khurana
Director
DIN : 02971650

Dinesh Kumar Sharma
Chief Financial Officer

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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I. 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.

Am *Sn* *Sheeba*
Dr



SAFARI 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.) |
| Authorised shares: | | | | |
| Equity shares of Rs. 10/- each | 45,000,000 | 450,000,000 | 45,000,000 | 450,000,000 |
| Issued, subscribed and fully paid-up share capital: | | | | |
| 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 |
|--|---|---------------------|
| | A. Surplus / (deficit) in the statement of profit and loss | |
| Opening Balance | (31,535,297) | (11,665,374) |
| 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> |








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 |
|--|------------------------|------------------------|
| 5. LONG TERM BORROWINGS | | |
| A. Unsecured | | |
| a. Loans & Advances from Related Parties | | |
| 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 | - |
| Total (A) | 317,996,404 | 230,099,677 |
| 5.1 Principal amount Rs. 20,12,00,000/- (PY - Rs 20,12,00,000/-) & Interest amount Rs. 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 |
| Total | 4,800,000 | 4,800,000 |
| 7. LONG TERM PROVISIONS | | |
| Provision For employees benefits | | |
| Gratuity | 1,495,337 | 615,149 |
| Leave Encashment | 1,526,646 | 521,379 |
| Total | 3,021,983 | 1,136,528 |
| 8. TRADE PAYABLES | | |
| Trade Creditors | 27,072,464 | 5,595,419 |
| Total | 27,072,464 | 5,595,419 |
| 9. OTHER CURRENT LIABILITIES | | |
| | <u>Amount (Rs.)</u> | <u>Amount (Rs.)</u> |
| 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 |
| Total | 5,387,140 | 4,077,729 |
| 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 | - |
| Total | 39,964 | 45,484 |



| SNO. | ASSETS CLASS | GROSS BLOCK | | | IMPAIRMENT LOSS 31.03.2017 | DISPOSAL DURING THE YEAR | ADDITIONS DURING THE YEAR | CLOSING BALANCE 31.03.2017 | Useful Life (years) | OPENING BALANCE 01.04.2016 | DEPRECIATION | | | NET BLOCK | |
|------|---------------------------------|----------------------------|---------------------------|--------------------------|-------------------------------|--------------------------|---------------------------|----------------------------|---------------------|----------------------------|--------------------------|-----------------------------|----------------------------|----------------------------|-------------------|
| | | OPENING BALANCE 01.04.2016 | ADDITIONS DURING THE YEAR | DISPOSAL DURING THE YEAR | | | | | | | PROVIDED DURING THE YEAR | ON DISPOSAL DURING THE YEAR | CLOSING BALANCE 31.03.2017 | CLOSING BALANCE 31.03.2016 | |
| (a) | Tangible Assets | | | | | | | | | | | | | | |
| 1 | Furniture & Fixtures | 4,277,494 | - | - | 4,277,494 | - | 4,277,494 | 10 | 252,870 | 659,113 | - | 911,983 | - | 3,365,511 | 4,024,624 |
| 2 | Office Equipment | 639,150 | 232,358 | - | 871,508 | - | 871,508 | 5 | 83,080 | 231,394 | - | 316,474 | - | 555,034 | 554,070 |
| 3 | Computers & Peripherals | 953,165 | 1,309,050 | - | 2,262,215 | - | 2,262,215 | 3 | 91,486 | 764,936 | - | 856,422 | - | 1,405,793 | 861,679 |
| | Total | 5,869,809 | 1,541,408 | - | 7,411,217 | - | 429,437 | | 1,655,443 | 2,084,880 | - | 5,326,337 | - | 5,440,372 | |
| (b) | Intangible assets | | | | | | | | | | | | | | |
| 1 | INTANGIBLE ASSETS | 10,396,191 | 51,170,633 | - | 61,566,824 | - | 2,348 | 10 | 2,348 | 2,368,166 | - | 2,571,014 | - | 58,995,810 | 10,393,343 |
| 2 | INTANGIBLE ASSETS- SOFTWARE | 97,600 | 301,320 | - | 398,920 | - | 1,439 | 3 | 1,439 | 92,411 | - | 93,850 | - | 305,070 | 96,161 |
| | Total | 10,493,791 | 51,471,953 | - | 61,965,744 | - | 4,287 | | 4,287 | 2,660,577 | - | 2,664,864 | - | 59,300,880 | 10,489,504 |
| (c) | Capital Development In Progress | | | | | | | | | | | | | | |
| 1 | Content WIP | 11,408,047 | 40,280,806 | 49,871,937 | 1,816,916 | - | - | - | - | - | - | - | - | 1,816,916 | 11,408,047 |
| | Total | 11,408,047 | 40,280,806 | 49,871,937 | 1,816,916 | - | - | - | - | - | - | - | - | 1,816,916 | 11,408,047 |
| | Current Year Total | 27,771,647 | 93,294,167 | 49,871,937 | 71,193,877 | - | 433,724 | 4,316,020 | 4,749,744 | 66,444,133 | - | 27,337,923 | - | 66,444,133 | 27,337,923 |

Note 1 : Includes Rs 20,968,234/- 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 regrouped from Tangibles to Intangibles software.
 Note 3: Intangibles Assets Includes Rs 12,98,697/- for Mobile App developed through group company.
 Note 4: Details of CWIP & Intangibles:

| Particulars | Opening Balance | Additions | Capitalisation | Closing Balance |
|--|-------------------|-------------------|-------------------|------------------|
| CWIP-content development | 9,247,232 | 36,343,123 | 44,407,439 | 1,182,916 |
| CWIP-Assessment Test Generator Milestone | - | 634,000 | - | 634,000 |
| CWIP-Mxy study Gear App Development | 2,160,815 | 3,303,683 | 5,464,498 | - |
| Total | 11,408,047 | 40,280,806 | 49,871,937 | 1,816,916 |

| Particulars | Opening Balance | Additions | Deletions | Closing Balance |
|-------------------|------------------|-------------------|-----------|-------------------|
| Mv-Study Gear App | 8,510,097 | 6,763,194 | - | 15,273,291 |
| Content-DRL | 626,094 | - | - | 626,094 |
| Content-OR Code | 780,585 | - | - | 780,585 |
| Milestone | 43,626,834 | - | - | 43,626,834 |
| Total | 9,136,191 | 51,170,633 | - | 60,306,824 |

* No income is generated in respect of Intangibles of Rs. 1,66,79,970/- . 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 recognised.

Note 5: Depreciation includes impairment of Rs 11,33,655/-.

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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 | Partly Paid / Fully Paid | Extent of Holding (%) | | As on | | Basis of Valuation |
|---------|--|--|-------------------|-------------------|-------------------|--------------------------|-----------------------|---------------------|---------------------|---------------------|--------------------|
| | | | 31st Mar 2017 | 31st Mar 2016 | | | As on 31st Mar 2017 | As on 31st Mar 2016 | As on 31st Mar 2017 | As on 31st Mar 2016 | |
| a. | Investment Properties | N.A. | | | N.A. | N.A. | | | | | |
| b. | Investments in Equity Instruments | | | | | | | | | | |
| | (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) Eductor Technologies (I) Pvt Ltd (Equity Shares of Rs. 2/- each) (Refer Note P of significant accounting policies & other Notes) | | 2,025,766 | 2,025,766 | Unquoted | Fully paid | 44.66 | 44.66 | 235,827,993 | 235,827,993 | At Cost |
| | (iv) Gyankoshi 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) Tesbook Edu Solutions Pvt Ltd (Equity Shares of Rs. 10/- each at a premium of Rs. 8234/- 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 |
| | Total 'b' | | 19,058,871 | 19,058,871 | | | | | 372,705,468 | 372,705,468 | |
| c. | Investments in Preference Instruments | | | | | | | | | | |
| | (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) Gyankoshi 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) Tesbook 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 |
| | Total 'c' | | 6,493,343 | 6,493,343 | | | | | 112,957,294 | 112,957,294 | |
| | Total [A] | | | | | | | | 485,662,761 | 485,662,761 | |

Note 11.1
Note 11.2
Note 11.3

FMV of shares as per certificate of chartered accountant is more than the cost of acquisition.
FMV of Gyankoshi is not available. However company is of the view that FMV is more than the cost on the basis of investment to be made by Blume Ventures Fund.
FMV is not available as on date.



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 |
|--|--|--|
| 18. REVENUE FROM OPERATIONS | | |
| 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 | - |
| Total | 59,643,926 | 28,185,025 |
| * E Books Sales are certified by Management. | | |
| 19 CHANGE IN INVENTORIES | | |
| <u>Opening Stock</u> | | |
| Trade Items | 197,138 | 45,075 |
| <u>Closing Stock</u> | | |
| Trade Items | 4,661,663 | 197,138 |
| <u>(Increase)/ Decrease in Stock</u> | <u>(4,464,525)</u> | <u>(152,063)</u> |
| 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 |
| Total | 16,300,984 | 11,778,232 |
| * Excludes Rs. 2,09,58,234/- capitalised during the year (previous year Rs. 59,13,964/-) under Intangibles for Mylestone Content. | | |
| 21 OTHER EXPENSES | | |
| A. <u>Repairs & Maintenance</u> | | |
| a. Others | 1,558,441 | 972,947 |
| B. Legal & Professional Fees (Refer note 21.1) | 484,400 | 1,332,597 |
| 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 | 15,745,758 | 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 | 50,900 | - |
| Total | 19,845,553 | 20,300,436 |
| Note 21.1: It includes Rs. 1,12,500/- paid for drafting of agreement for purchase of shares. | | |
| <u>Details of Payment to Auditors</u> | | |
| <u>As Auditor:</u> | | |
| Audit Fee (Excludes service tax) | 150,000 | 50,000 |
| Total | 150,000 | 50,000 |
| 22 SELLING & DISTRIBUTION EXPENSES | | |
| A. Advertisement Expenses | 399,421 | 74,707 |
| B. Sales Promotion (Note 22.1) | 808,534 | 113,278 |
| C. Travelling & Boarding & Conveyance Expenses (Note 22.2) | 2,470,185 | 1,976,904 |
| Total | 3,678,140 | 2,164,889 |
| * Note 22.1 : Excludes Rs. 900,923/- capitalised during the year. | | |
| * Note 22.2 : Excludes Rs. 23,32,734/- capitalised during the year. | | |








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 |
|--|------------------------|------------------------|
| 12. OTHER NON-CURRENT ASSETS | | |
| A. Others | | |
| Security Deposit-Premises | 8,089,600 | 7,869,600 |
| | Total | 7,869,600 |
| | 8,089,600 | 7,869,600 |
| 13. LONG TERM LOANS | | |
| 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 |
| | Total | 126,688,023 |
| | 129,598,755 | 126,688,023 |
| 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. | | |
| 14. INVENTORIES | | |
| (As taken, valued and certified by the Management) | | |
| Mylestone Books* | 4,661,663 | 197,138 |
| | Total | 197,138 |
| | 4,661,663 | 197,138 |
| * In absence of the stock register valuation is certified by the management. | | |
| 15. TRADE RECEIVABLES | | |
| Considered good Less than 180 Days* | 32,800,126 | 4,241,539 |
| | Total | 4,241,539 |
| | 32,800,126 | 4,241,539 |
| * In absence of the confirmation considered good by the management. | | |
| * Includes Rs.5,25,000/- due from the concern in the same group. | | |
| 16. CASH AND CASH EQUIVALENTS | | |
| A. Balances with Banks | | |
| HDFC Bank Ltd | 2,588,653 | (489,875) |
| RBS Ltd. | - | 4,797 |
| B. Cash on hand | 35,142 | 158,400 |
| | Total | (326,678) |
| | 2,623,795 | (326,678) |
| 17. SHORT TERM LOANS AND ADVANCES | | |
| Other Loans & Advances | | |
| TDS Receivable | 5,119,016 | 4,658,402 |
| Advance to Suppliers* | 1,512,579 | 164,986 |
| | Total | 4,823,387 |
| | 6,631,595 | 4,823,387 |
| * Includes Rs. 15 lacs paid to Fortuna Pix 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. | | |
| 17A. OTHER CURRENT ASSETS | | |
| A. Service Tax (Input) | 1,447,749 | 1,026,063 |
| B. Prepaid Expenses | 120,600 | 392,464 |
| | Total | 1,418,527 |
| | 1,568,349 | 1,418,527 |







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

23 EARNING PER SHARE (EPS)

| | <u>As At March 2017</u> | <u>As At March 2016</u> |
|---|-------------------------|-------------------------|
| 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 | | |
| Add : Dividends & dividend tax on other than equity shares | (32,394,562) | (19,869,923) |
| 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 -Edutor Technologies (I) Pvt. Ltd. |
| 3) Associate Companies / Firms | -Niija Publishers & Printers Pvt. Ltd. -New Saraswati House (India) Pvt. Ltd. |
| 4) Companies under same Management | -Vikas Publishing House Pvt. Ltd. -Eurasia Publishing House Pvt. Ltd. -BPI India Pvt. Ltd. |
| 5) Key Management Personnel | |
| - Mr. Saurabh Mittal | : Director |
| - Mr. Samir Khurana | : Director |
| - Mr. Ratna Nair Mehta | : 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 |
|--|--------------------------|---------------------------|----------------------|--|---------------------------------|
| Investments made during the Period | | | | | |
| Eduator Technologies India Pvt Ltd | | | (92,168,435) | | |
| Purchase of E Books & Printed Books | | | | | |
| S Chand & Company Limited | 2,380,172 (425,564) | | | | |
| Vikas Publishing House Private Limited | | | | | 21,944,097 (1,626,822) |
| New Saraswati House India Private Limited | | | | | 88,543 |
| BPI India Private Limited | | | | | 108,084 |
| App Development Support Service Received | | | | | |
| S Chand Edutech Private Limited | | 1,298,697 (5,783,445) | | | |
| Loans and Advances Given during the Period | | | | | |
| DS Digital Private Ltd | | 7,661,932 (53,600,000) | | | |
| S Chand Edutech Private Limited | | 1,363,633 (2,872,044) | | | |
| Loans and Advances Received | | | | | |
| S Chand and Company Limited | (16,000,000) | | | | |
| Nirja Publishers & Printers Private Limited | | | | | (196,500,000) |
| Eurasia Publishing House Private limited | | | | | 60,000,000 |
| Repayment received against Loan and Advances Given | | | | | |
| DS Digital Private Ltd | | 10,100,000 (1,150,000) | | | |
| Interest Income on Loans and Advances Given | | | | | |
| DS Digital Private Limited | | 6,432,000 (3,578,532) | | | |
| Interest Expense on Loan and Advances Received | | | | | |
| S Chand and Company Limited | 2,087,788 (1,590,905) | | | | |
| Nirja Publishers & Printers Private Limited | | | | | 25,508,168 (13,450,202) |
| Eurasia Publishing House Private limited | | | | | 3,870,411 |
| Security Deposits Received during the Period | | | | | |
| S Chand and Company Limited | (3,688,890) | | | | |
| Sale of Digital Books | | | | | |
| Eduator Technologies India Pvt Ltd | | | 303,223 (949,695) | | |
| QR Code Development Services | | | | | |
| S Chand and Company Limited | (241,280) | | | | |
| Vikas Publishing House Private Limited | | | | | (1,503,360) |
| New Saraswati House (India) Private Limited | | | | | (236,640) |
| Data Management Services | | | | | |
| Vikas Publishing House Private Limited | | | | | 6,000,000 (6,000,000) |
| New Saraswati House (India) Private Limited | | | | | 6,000,000 (7,500,000) |
| Premises Rent Received | | | | | |
| S Chand and Company Limited | 9,600,000 (9,600,000) | | | | |
| Maintenance Income and Reimbursement for Electricity | | | | | |
| S Chand and Company Limited | 1,317,148 (1,496,154) | | | | |
| Reimbursement of Travel, Filing Fee & Subscriptions | | | | | |
| S Chand and Company Limited | 107,557 (297,920) | | | | |
| Eduator Technologies India Pvt Ltd | | | | (69,792) | |
| Salary, Perks and Allowances | | | | | |
| Vinay Sharma | | | | 3,321,031 (5,708,945) | |
| Sheeba Dhanuja | | | | 875,325 | |



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| Nature of Transactions | Holding Company | Subsidiaries | Associates | 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 | | 67,950,110 (65,039,378) | | | |
| S Chand Edutech Private Limited | | 21,843,645 (21,843,645) | | | |
| Trade Receivables as at 31st Mar 2017 | | | | | |
| Eduior Technologies India Pvt Ltd | | | 580,011 (272,810) | | |
| New Saraswati House (India) Private Limited | | | | | 436,457 (2,828,218) |
| S Chand and Company Limited | - (53,165) | | | | |
| Vikas Publishing House Private Limited | | | | | 525,000 (522,500) |
| Trade Payables as at 31st Mar 2017 | | | | | |
| Vikas Publishing House Private Limited | | | | | 21,163,820 (1,626,822) |
| S Chand and Company Limited | 4,284,734 (2,587,201) | | | | |
| BPI India Private Limited | | | | | 108,084 - |
| Investments made as at 31st Mar 2017 | | | | | |
| DS Digital Private Limited | | 197,589,974 (197,589,974) | | | |
| S Chand Edutech Private Limited | | 157,400 (157,400) | | | |
| Eduior Technologies India Pvt Ltd | | | 235,827,993 (235,827,993) | | |
| Long Term Borrowings as at 31st Mar 2017 | | | | | |
| S Chand and Company Limited | 19,310,822 (16,000,000) | | | | |
| Nirja Publishers & Printers Private Limited | | | | | 235,202,214 (212,667,863) |
| Eurasia Publishing House Private limited | | | | | 63,483,368 - |

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.

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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 so 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 asset

27 Gratuity & other retirement benefits:

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

| Particulars | Gratuity | Leave Encashment | 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 | 564,449 | 404,554 | 615,149 | 521,863 |
| Past Service cost | - | - | - | - |
| Interest Cost | 49,519 | 40,342 | - | - |
| Net Actuarial Losses/(Gain) | 267,449 | 602,562 | - | - |
| Total Expenses included in statement of P&L | 881,417 | 1,047,458 | 615,149 | 521,863 |
| Defined benefit obligation | 1,496,566 | 1,527,881 | 615,149 | 521,863 |
| Fair value of plan assets | - | - | - | - |
| Funded status- (surplus)/ deficit | 1,496,566 | 1,527,881 | 615,149 | 521,863 |
| Unfunded defined benefit obligation | - | - | - | - |
| Past service cost not yet recognised | - | - | - | - |
| Unrecognised assets due to limit in para 59(B) | - | - | - | - |
| Liability/Asset recognised in Balance Sheet | 1,496,566 | 1,527,881 | 615,149 | 521,863 |
| Current Liability | 1,229 | 1,235 | - | 484 |
| Non current Liability | 1,495,337 | 1,526,646 | 615,149 | 521,379 |
| Non Current Assets | - | - | - | - |
| Total | 1,496,566 | 1,527,881 | 615,149 | 521,863 |

28 Earnings in Foreign Exchange

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

29 Expenditure in Foreign Currency

| Particulars | For the year ended Mar 17 |
|----------------------------------|---------------------------|
| Traveling Expenditures | 44,066 |
| Conference & Exhibition expenses | 114,425 |
| Total | 158,491 |

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 (Amount in Rs.) | Other denomination notes (Amount in Rs.) | Total (Amount in Rs.) |
|--|-------------------------|---|--------------------------|
| Closing balance as at 8 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 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

Saurabh Mittal
Saurabh Mittal
Director
DIN : 01402533

Sheeba Dhamija
Sheeba Dhamija
Company Secretary
Mem No : A29705

Samir Kourana
Samir Kourana
Director
DIN : 02971650

Dinesh K. Sharma
Dinesh K. Sharma
Chief Financial Officer