

# V.P.JAIN & ASSOCIATES

*Chartered Accountants*

AmbikaBhawan, F-1, First Floor,  
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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF DS DIGITAL PRIVATE LIMITED

#### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **DS Digital Private Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

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 Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. 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.



## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## **Emphasis of Matter**

Attention is drawn to Note No. 11.1 regarding non provision of interest on outstanding amount of MSME Supplier.

Our opinion is not modified in respect of this matter.

## **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to



going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial



statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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. We are not expressing our opinion on compliance of section 197 of the Act as this section is not applicable on the company.
3. 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 including other comprehensive income, statement of changes in equity and the statement of cash flow 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.
- (e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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.

*For V. P. Jain & Associates*

*Chartered Accountants*

Firm’s registration number: 015260N

  
**Sarthak Madaan**

*Partner*

Membership number: 547131

Place: New Delhi

Date: 17.06.2020



UDINNO: 2054731AAAAA58844

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

The Annexure referred to in Independent Auditors' Report to the members of the DS Digital Private limited on the standalone financial statements for the year ended 31 March 2020, we report that:

- (i) In respect of fixed assets:
  - (a) The Company has maintained records showing particulars, including quantitative details and situation of fixed assets. Description / Model No. / Identification No. of Assets are not recorded in the register. It is informed that records are being updated.
  - (b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the said programme, it is certified by the management that certain fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification. We have relied upon the management. In respect of fixed assets given on operating lease to various schools, company has obtained the confirmation of assets of certain schools duly signed by the schools and it is certified by the management that no material discrepancies were found in respect of assets installed at those schools.
  - (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) As explained to us, inventories have been physically verified at the end of the year by the Management and no material discrepancies noted on such verification. We could not take the physical verification due to Covid-19 Pandemic lockdown.
- (iii) The Company has not granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3 (iii) of the Order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us and certified by the company loans and investments made are in compliance of section 185 and 186 of the Act.
- (v) According to the information and explanation given to us, the company has not accepted any deposits during the year.
- (vi) Requirement of maintenance of cost records are not applicable to the company.



(vii) In respect of statutory dues:

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has generally been regular in depositing undisputed statutory dues, including provident Fund, Employees State insurance, income tax, sales tax, service tax, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31.03.2020 for a period of more than six months from the date they became payable. During the year company has paid reimbursement of Rs. 5.34 Lacs towards hiring of workforce through third party, evidence regarding the payment of statutory dues i.e PF /ESI is pending from the third party.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, value added tax, cess which have not been deposited as at 31.03.2020 on account of any dispute except as follows :

SI No.	Name of Statute	Nature of Dues	Amount Rs/lacs	Forum where dispute is pending.
1	U.P. VatAct, 2008	Penalty u/s 54 (1) in FY 2012 - 13	27.50	Matter is set aside for re-adjudication.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government during the year.
- (ix) In our opinion and according to the information and explanation given to us, the term loans have been applied by the company during the year for the purposes for which they were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Provision of section 197 of the Act is not applicable. Accordingly, paragraph 3(xi) of the Order is 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 in respect of



availability of services are in the nature of specialized/customized services for which market prices are not available. In absence of the same transactions are certified on arm's length basis and we have relied upon the same. In respect of other transactions the same are in compliance with sections 177 and 188 of the Act where applicable and details of all transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

*For V. P. Jain & Associates*

*Chartered Accountants*

Firm's registration number: 015260N

*Sarthak*  
SarthakMadaan

*Partner*

Membership number: 547131

Place: New Delhi

Date: 17.06.2020



UDINNO: 20547131AAAAA28844

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



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

We have audited the internal financial controls over financial reporting of **DS Digital Private Limited** (“the Company”) as of 31 March 2020 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 2020, 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 V. P. Jain & Associates*

*Chartered Accountants*

Firm's registration number: 015260N

*Sarthak*

**Sarthak Madaan**

*Partner*

Membership number: 547131

Place: New Delhi

Date: 17.06.2020



UDINNO: 20547131AAAAA E8844

**DS DIGITAL PRIVATE LIMITED**  
**CIN: U72200DL2008PTC173250**  
**Balance sheet as at 31 March 2020**

Particulars	Notes	(Amount in ₹)	
		As at 31 March 2020	As at 31 March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	8,25,83,837	10,93,39,268
Intangible assets	4A	19,46,04,933	18,68,29,857
Right-of-use assets	4B	1,40,57,375	-
Other intangible assets under development	4C	1,77,18,540	1,85,29,321
<b>Financial assets</b>			
- Loans	5B	31,88,203	30,71,686
Deferred tax assets (net)	28A	13,29,41,771	13,83,44,180
Other non-current assets	7	14,92,551	16,68,041
<b>Total non-current assets</b>		<b>44,65,87,210</b>	<b>45,77,82,353</b>
<b>Current assets</b>			
Inventories	6	1,99,62,502	42,44,080
<b>Financial assets</b>			
- Trade receivables	5A	7,27,34,973	8,25,62,289
- Cash and cash equivalents	5C	20,73,236	33,04,075
- Loans	5B	24,81,289	22,85,681
Other current assets	7	1,73,41,008	2,21,74,122
<b>Total current assets</b>		<b>11,45,93,008</b>	<b>11,45,70,247</b>
<b>Total assets</b>		<b>56,11,80,218</b>	<b>57,23,52,600</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	8	34,72,89,200	34,72,89,200
Other equity	9	(35,42,68,094)	(27,18,30,371)
<b>Total equity</b>		<b>(69,78,894)</b>	<b>7,54,58,829</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	10A	31,24,92,131	29,33,63,364
- Other financial liabilities		-	-
- Lease liability	13	1,08,56,060	-
Provisions	14	40,95,654	50,48,048
<b>Total non current liabilities</b>		<b>32,74,43,845</b>	<b>29,84,11,412</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	10B	14,33,03,614	8,60,84,139
- Trade payables	11	70,56,349	-
(a) Total outstanding dues of micro and small enterprises		4,44,12,754	6,52,84,236
(b) Total outstanding dues of creditors other than micro and small enterprises		3,41,61,093	3,77,37,433
- Other financial liabilities	12	42,33,313	-
- Lease liability	13	69,02,967	84,90,585
Other current liabilities	15	6,45,177	8,85,967
Provisions	14	-	-
<b>Total current liabilities</b>		<b>24,07,15,267</b>	<b>19,84,82,360</b>
<b>Total equity and liabilities</b>		<b>56,11,80,218</b>	<b>57,23,52,600</b>
Summary of significant accounting policies	2.1		

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

For V. P. Jain & Associates  
Chartered Accountants

*Sarthak*  
Sarthak Madam  
Partner  
Membership No.: 547131  
Fr. No.: 015260N



For and on behalf of the Board of Directors of DS Digital Private Limited

*Himanshu Gupta*  
Himanshu Gupta  
Director  
DIN: 00054015

*Dinesh Kumar*  
Dinesh Kumar Jhunjhuwala  
Director  
DIN: 00282988

*Arvind Srivastava*  
Arvind Srivastava  
Chief Financial Officer

*Manish Kumar*  
Manish Kumar Goyal  
Company Secretary

Place: New Delhi  
Date: 17.06.2020



**DS DIGITAL PRIVATE LIMITED**  
**CIN: U72200DL2008PTC173250**  
**Statement of Profit and Loss for the year ended 31 March 2020**

(Amount in ₹)

Particulars	Notes	For the year ended	
		31 March 2020	31 March 2019
<b>I Revenue from Operations</b>	16	16,02,02,819	20,13,45,796
<b>II Other Income</b>	17	2,65,96,506	1,50,26,033
<b>III Total Income (I+II)</b>		<b>18,67,99,325</b>	<b>21,63,71,829</b>
<b>IV Expenses</b>			
Purchases of Stock in trade	18	2,34,98,261	3,12,37,824
(Increase)/decrease in inventories of finished goods and stock in trade	19	(1,57,18,422)	(4,76,868)
Employee benefits expense	20	3,49,20,702	5,59,96,331
Selling and distribution expenses	21	1,43,55,550	4,86,55,720
Finance cost	22	4,85,02,465	3,71,99,777
Other expenses	23	8,79,35,054	6,09,41,458
Depreciation and amortisation expense	24	7,04,79,406	6,30,45,527
<b>Total expenses</b>		<b>26,39,73,016</b>	<b>29,65,99,769</b>
<b>V Profit/(loss) before exceptional items and tax (III - IV)</b>		<b>(7,71,73,691)</b>	<b>(8,02,27,940)</b>
<b>VI Exceptional item</b>		-	-
<b>VII Profit/(loss) before tax (V - VI)</b>		<b>(7,71,73,691)</b>	<b>(8,02,27,940)</b>
<b>VIII Tax expense:</b>			
Current tax		-	-
Income tax adjustment related to earlier years		-	-
Deferred tax (credit)/ charge		53,66,431	(1,14,11,145)
<b>Total tax expenses</b>		<b>53,66,431</b>	<b>(1,14,11,145)</b>
<b>IX Profit (Loss) for the period (VII - VIII)</b>		<b>(8,25,40,122)</b>	<b>(6,88,16,795)</b>
<b>X Other Comprehensive Income</b>			
- Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans	25	1,38,377	8,20,814
Tax impact on re-measurement gain/ (losses) on defined benefit plans		(35,978)	(2,13,412)
<b>XI Total Comprehensive Income for the period (IX + X)</b> <b>(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>(8,24,37,723)</b>	<b>(6,82,09,393)</b>
<b>XII Earnings per equity share:</b>	26		
(1) Basic		(2.38)	(1.98)
(2) Diluted		(2.38)	(1.98)
Summary of significant accounting policies	2.1		

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

For V. P. Jain & Associates  
Chartered Accountants

*Sarthak*  
Sarthak Madaan  
Partner  
Membership No.: 547131  
Fr. No.: 015260N



For and on behalf of the Board of Directors of DS Digital Private Limited

*Himanshu Gupta*  
Himanshu Gupta  
Director  
DIN : 00054015

*Dinesh Kumar Jhunjhunwala*  
Dinesh Kumar Jhunjhunwala  
Director  
DIN : 00282988

*Arvind Srivastava*  
Arvind Srivastava  
Chief Financial Officer

*Manish Kumar Goyal*  
Manish Kumar Goyal  
Company Secretary

Place : New Delhi  
Date : 17.06.2020



**DS DIGITAL PRIVATE LIMITED**  
**CIN: U72200DL2008PTC173250**  
**Statement of changes in equity for the year ended 31 March 2020**

**A. Equity share capital:**

Equity shares	No. of shares	Amount in ₹
Issued, subscribed and fully paid up (Share of Rs. 10 each)		
As at 1 April 2018	3,47,28,920	34,72,89,200
Increase/(decrease) during the year	-	-
At 31 March 2019	3,47,28,920	34,72,89,200
Increase/(decrease) during the year	-	-
At 31 March 2020	3,47,28,920	34,72,89,200

**B. Other equity**

Particulars	(Amount in ₹)		
	Reserve & Surplus Retained Earnings	Equity component of Non Cumulative Optionally Convertible Preference Share	Total
As at 1 April 2018	(39,03,12,472)	18,66,91,493	(20,36,20,978)
Profit for the period	(6,88,16,795)	-	(6,88,16,795)
Other comprehensive income for the year	6,07,402	-	6,07,402
Total Comprehensive Income for the year	(6,82,09,393)	-	(6,82,09,393)
Balance as at 31 March 2019	(45,85,21,864)	18,66,91,493	(27,18,30,371)
Profit for the period	(8,25,40,122)	-	(8,25,40,122)
Equity component of Non Cumulative Optionally Convertible Preference Shares (Refer Note 9.1)	2,66,91,493	(2,66,91,493)	-
Other comprehensive income for the period	1,02,399	-	1,02,399
Total Comprehensive Income for the period	(5,57,46,230)	(2,66,91,493)	(8,24,37,723)
Balance as at 31 March 2020	(51,42,68,095)	16,00,00,000	(35,42,68,094)

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

For V. P. Jain & Associates  
Chartered Accountants

  
Sarthak Madaan  
Proprietor  
Membership No.: 547131  
Fr. No. : 015260N



For and on behalf of the Board of Directors of DS Digital Private Limited

  
Himanshu Gupta  
Director  
DIN : 00054015

  
Arvind Srivastava  
Chief Financial Officer

  
Dinesh Kumar Jhunjhnuwala  
Director  
DIN : 00282988

  
Manish Kumar Goyal  
Company Secretary

Place : New Delhi  
Date : 17.06.2020



**DS DIGITAL PRIVATE LIMITED**  
**CIN: U72200DL2008PTC173250**  
**Cash Flow Statement for the year ended 31 March 2020**

	(Amount in ₹)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	(7,71,73,691)	(8,02,27,940)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	7,04,79,406	6,30,45,527
Interest expense	4,85,02,465	3,71,99,777
Provision for Doubtful Debts	1,56,23,308	50,22,255
Amounts Written off	31,83,804	93,898
Fixed Assets written off	2,86,549	-
Loss on Foreign Exchange Fluctuations (Net)	(12,27,215)	(6,89,465)
Fair Value Gains on Financial Instruments	45,195	(1,08,647)
Employee Benefit Expenses	1,38,377	8,20,814
Other Adjustments	41,867	33,478
<b>Operating profit before working capital changes</b>	<b>5,99,00,065</b>	<b>2,51,89,698</b>
Movements in working capital :		
(Decrease)/increase in trade payables	(1,38,15,132)	(27,01,390)
(Decrease)/increase in provisions	(11,93,184)	(3,47,590)
(Decrease)/increase in other current liabilities	(11,24,067)	20,30,272
Decrease/(increase) in trade receivables	(82,16,133)	(47,95,711)
(Increase)/decrease in inventories	(1,57,18,422)	(4,76,869)
(Decrease)/increase in other financial liabilities	(33,27,992)	22,93,810
(Increase)/ in Other financial Assets	46,51,284	(37,04,583)
<b>Cash generated from operating activities</b>	<b>2,11,56,419</b>	<b>1,74,87,638</b>
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow from operating activities (A)</b>	<b>2,11,56,419</b>	<b>1,74,87,638</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including capital work in progress and capital advances	(4,64,58,478)	(7,23,60,132)
Proceed from sale of fixed assets	2,08,733	35,000
<b>Net cash used in investing activities (B)</b>	<b>(4,62,49,745)</b>	<b>(7,23,25,132)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	1,91,28,767	8,67,85,619
Proceeds from short term borrowings	5,69,71,127	51,87,919
Repayment of Lease Liability	(37,34,942)	-
Interest paid	(4,85,02,465)	(3,71,99,777)
<b>Net cash (used in)/flow from financing activities (C)</b>	<b>2,38,62,487</b>	<b>5,47,73,761</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(12,30,839)</b>	<b>(63,733)</b>
Cash and cash equivalents at the beginning of the year	33,04,075	33,67,808
<b>Cash and cash equivalents at the end of the year</b>	<b>20,73,236</b>	<b>33,04,075</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	8,17,550	1,17,409
Balances with banks		
- on current account	12,55,686	31,86,666
<b>Total cash and cash equivalents (note 16)</b>	<b>20,73,236</b>	<b>33,04,075</b>

Summary of significant accounting policies

2.1

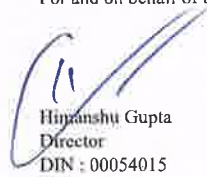
The accompanying notes are an integral part of the financial statements.

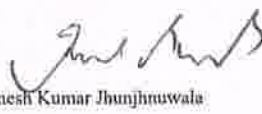
For V. P. Jain & Associates  
Chartered Accountants

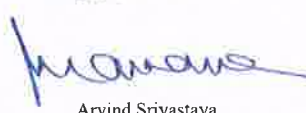
  
Sarthak Madaan  
Partner  
Membership No.: 547131  
Fr. No. : 015260N

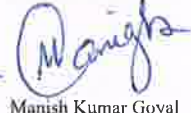


For and on behalf of the Board of Directors of DS Digital Private Limited

  
Himanshu Gupta  
Director  
DIN : 00054015

  
Dinesh Kumar Jhunjhunwale  
Director  
DIN : 00282988

  
Arvind Srivastava  
Chief Financial Officer

  
Manish Kumar Goyal  
Company Secretary

Place : New Delhi  
Date : 17.06.2020



## 1. Company Information

DS Digital Private Limited ('the Company') is a private limited Company incorporated and domiciled in India and has its registered office at A-27, 2nd Floor, Mohan Co-Operative Industrial Estate, New Delhi-110044, India.

The Company is a subsidiary of S Chand and Company Limited one of India's largest and oldest publishing and education service providers.

DS Digital product range comprises of Digital classroom, Student learning solution, tablet solution, Hands on lab, Language lab, Teacher training and Learning centres.

## 2. Significant Accounting Policies

### 2.1 Statement of Compliance

The accounts have been prepared in accordance with IND AS and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time, other pronouncement of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable.

All Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in revised Schedule - III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of business and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

### 2.2 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis except Income from pre-school educational activity are accounted for on receipt basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- a. Certain financial assets and financial liabilities measured at fair values (as required by the relevant Ind AS)
- b. Defined benefit and other long term employee benefits and
- c. Foreign commission expenses

### 2.3 Use of significant accounting estimates, judgement and assumptions

In the application of the Company's accounting policies, which are described below, the directors of the company are required to make judgements estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.



The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

- a. The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period.
- b. In case of Property, plant and equipment, the charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- c. Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which this entity operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.
- d. Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.
- e. Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.
- f. The cost of the defined benefit gratuity plan / other long term benefits and the present value of the gratuity obligation / other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation / other long term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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## 2.4 Property, Plants and Equipments

These tangible assets are held for use in supply of goods or services or for administrative purposes. These are recognized and carried under cost model i.e. cost less accumulated depreciation and impairment loss, if any which is akin to recognition criteria under erstwhile GAAP.

- a) For transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 01, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.
- b) Subsequent to transition date, property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Cost includes freight, duties, taxes and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. Such Costs also include Borrowing Cost if the recognition criteria are met.
- c) When a major inspection/repair occurs, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of previous inspection/repair is derecognized.
- d) Depreciation on property, plant and equipment
  - i. Depreciation on property, plant and equipment (other than freehold land and capital work in progress) is provided on straight line over the useful life of the relevant assets net of residual value whose life is in consonance with the life mentioned in Schedule II of the Companies Act, 2013 except in the case of computer or peripherals where useful life is estimated six years based upon post experience in providing hardware to schools.
  - ii. In the case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.
  - iii. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each balance sheet date and in case of any changes, effect of the same is given prospectively.
- e) Components relevant to fixed assets, where significant, are separately depreciated on SLM basis in terms of their rate specified in the schedule II of the Companies Act, 2013.
- f) During sales of fixed assets any profit earned / loss sustained towards excess / shortfall of sale value vis-a-vis carrying cost of assets is accounted for in statement of profit & loss.



## 2.5 Intangible Assets

- a) For transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets recognised as of April 01, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.
- b) Subsequent to transition date, Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.
- c) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably
- d) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.
- e) Intangible assets are amortised on a straight line basis over their estimated useful live. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.
- f) In case the assets are internally generated/upgraded then at capitalized development cost subject to satisfaction of criteria of recognition (identify, control and future economic benefit) laid down from clause 11 to 17 of IND AS 38.

Following initial recognition, intangible assets are carried at cost (including direct cost and salary of employees) less any accumulated amortization and accumulated impairment loss. Research costs are recognized as expense in the period in which it is incurred.

## 2.6 Impairment of Non-Financial Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.



## 2.7 Financial instruments

### I) Financial assets

#### Initial Recognition and Measurement

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

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

#### Subsequent Measurement

For purpose of subsequent measurement financial assets are classified in two broad categories:-

- Financial Assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss, or recognized in other comprehensive income.

A financial asset that meets the following two conditions is measured at amortized cost.

- **Business Model Test:** The objective of the company's business model is to hold the financial asset to collect the contractual cash flows.
- **Cash flow characteristics Test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI:-

- **Business Model Test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics Test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit and loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity



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investments for which the entity has elected irrevocable option to present value changes in OCI.

**Impairment of financial assets:-**

The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses

Depending upon whether there has been a significant increase in credit risk since initial recognition.

However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**II) Financial Liabilities**

All financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified as measured at amortized cost or fair value through profit and loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit and loss.


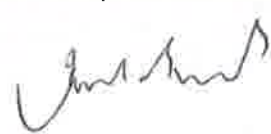


**2.8 Revenue Recognition**

Sales have been recognized with the transfer of significant risk and rewards of ownership of the goods, with the company losing effective control or the right to managerial involvement thereon and the revenue (representing future economic benefit associated with the transaction) including cost incurred or to be incurred in respect of the transaction are measurable reliably and the recovery of the consideration is probable.

Income from Customised Interactive Content is recognised on completion of Initial training at the school premises in case of Domestic schools and on the basis of installation of software in International schools. Income from export customised interactive education services is accounted on invoice raised.

Sales are measured at the fair value of consideration received or receivable. Sales recognized are net of Goods and Services Tax, Sales tax, service tax, VAT intermediary sales, rebates and discount.

Incentives on exports related to operations as provided by government are recognized in

books after due consideration of certainty of utilization / receipt of such incentives.

Interest Income from a financial asset is recognised using effective interest method.

Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

## **2.9 Employee Benefits**

Liabilities in respect of employee benefits to employees are provided for as follows:

### **a) Short-term employee benefits**

All employee benefits falling due wholly within twelve months after the end of the reporting period are classified as short term employee benefits and they are recognised as an expense at the undiscounted amount in the statement of profit and loss in the period in which the employee renders the related service.

### **b) Post-employment benefits**

#### **i) Defined Contribution Plan**

The defined contribution plan is post-employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognised in the statement of profit and loss in the period in which the employee renders the related services.

#### **ii) Defined benefit plan**

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services

Actuarial gain / loss and other components of re-measurement of net defined benefit liability (asset) are accounted for as OCI. All remaining components of costs are accounted for in statement of profit & loss.

#### **iii) Other long-term benefits**

The Company has other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of



profit and loss as income or expense. Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

Actuarial gain / loss and other components of re-measurement of net defined benefit liability (asset) are accounted for as OCI. All remaining components of costs are accounted for in statement of profit & loss.

## 2.10 Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

### Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

### Deferred tax

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

Deferred tax asset are recognized to the extent that it is probable that taxable profit will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences.

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

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

## 2.11 Foreign commission expenses

Subject to an agreement the company has obligation to pay commission in foreign currency in respect of export services on the basis of actual receipt from the schools.

## 2.12 Foreign Currency Translation

### i) Functional currency

The company's financial statements are presented in INR, which is also the company's functional currency.

### ii) Initial Recognition



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Transactions in foreign currencies are recognized at rate of overseas currency ruling on the date of transactions. Gain / Loss arising on account of rise or fall in overseas currencies vis-à-vis functional currency between the date of transaction and that of payment is charged to Statement of Profit & Loss.

**iii) Subsequent Recognition**

Monetary Assets in foreign currencies are translated into functional currency at the exchange rate ruling at the Reporting Date and the resultant gain or loss, is accounted for in the Statement of Profit & Loss.

Non-Monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**iv) Impact of exchange fluctuation**

Impact of exchange fluctuation is separately disclosed in notes to accounts.

**2.13 Earnings Per Share**

Basic Earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

**2.14 Borrowing Cost**

Borrowing cost that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale.

Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognized as expense in the period in which they are incurred.

**2.15 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 2.16 Inventories

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

## 2.17 Provisions and Contingencies

**Provisions:** Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are discounted to its present value as appropriate.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

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

Contingent Assets are neither recognised nor disclosed.  
Provisions and contingent liabilities are reviewed at each Balance sheet date.

## 2.18 Lease

### The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:  
the contract involves the use of an identified asset,  
the company has substantially all of the economic benefits from use of the asset through, the period of the lease and  
the company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) renewable every year and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.





Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **The Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

#### **Transition**

Effective April 1, 2019, the Company adopted Ind AS 116, "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Accordingly comparatives for the year ended March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount. The Financial effect has been disclosed in Note No 34.



## 3. Property, plant and equipment

Particulars						(Amount in ₹)
	Furniture & Fixtures	Office Equipment	Computers & Pheripherals	Vehicles	Plant & Equipment	Total
<b>Cost</b>						
As at 1 April 2018	1,05,34,948	28,12,811	15,80,59,481	4,08,916	11,12,872	17,29,29,027
Additions	22,800	3,77,657	1,97,43,801	-	-	2,01,44,258
Disposals	-	(31,200)	(13,69,554)	-	-	(14,00,754)
As at 31 March 2019	1,05,57,747	31,59,268	17,64,33,728	4,08,916	11,12,872	19,16,72,531
Additions	-	-	32,87,162	-	-	32,87,162
Disposals/written off	-	-	(4,26,225)	(4,08,916)	-	(8,35,141)
As at 31 March 2020	1,05,57,747	31,59,268	17,92,94,665	-	11,12,872	19,41,24,553
<b>Accumulated depreciation</b>						
As at 1 April 2018	37,36,475	10,30,184	4,92,05,021	76,742	2,06,152	5,42,54,575
Charge for the Year	16,62,918	6,76,211	2,68,94,002	45,624	1,01,009	2,93,79,765
Deductions	(0)	-	(13,01,076)	-	-	(13,01,076)
As at 31 March 2019	53,99,394	17,06,395	7,47,97,947	1,22,366	3,07,161	8,23,33,263
Charge for the Year	11,59,787	5,99,619	2,76,42,176	-	1,03,863	2,95,05,444
Deductions	-	-	(1,75,625)	(1,22,366)	-	(2,97,991)
As at 31 March 2020	65,59,180	23,06,013	10,22,64,498	-	4,11,025	11,15,40,716
<b>Net block</b>						
As at 31 March 2019	51,58,354	14,52,873	10,16,35,781	2,86,549	8,05,711	10,93,39,268
As at 31 March 2020	39,98,567	8,53,255	7,70,30,167	-	7,01,848	8,25,83,837

## 4A Intangible assets

Particulars				(Amount in ₹)
	Learnflix Mobile App. & Content	Learning Content	Computer Software	Total
<b>Gross block</b>				
As at 1 April 2018	-	20,86,76,203	26,46,928	21,13,23,131
Purchases/internal development	-	5,70,05,305	-	5,70,05,305
Disposals/Transferred to Block	-	-	-	-
As at 31 March 2019	-	26,56,81,508	26,46,928	26,83,28,436
Purchases/internal development (Refer Note 4.2)	4,27,95,712	5,80,294	6,06,092	4,39,82,098
Disposals/Transferred to Block	-	-	-	-
As at 31 March 2020	4,27,95,712	26,62,61,802	32,53,020	31,23,10,534
<b>Accumulated depreciation</b>				
As at 1 April 2018	-	4,67,81,782	10,51,034	4,78,32,816
Amortization for the year	-	3,31,11,296	5,54,467	3,36,65,763
Deductions	-	-	-	-
As at 31 March 2019	-	7,98,93,078	16,05,501	8,14,98,579
Amortization for the year	7,24,042	3,46,95,010	7,87,970	3,62,07,022
Deductions	-	-	-	-
As at 31 March 2020	7,24,042	11,45,88,088	23,93,471	11,77,05,601
<b>Net block</b>				
As at 31 March 2019	-	18,57,88,430	10,41,427	18,68,29,857
As at 31 March 2020	4,20,71,670	15,16,73,714	8,59,549	19,46,04,933

## 4B. Right-of-use

Particulars		
	As at 31st March 2020	As at 31st March 2019
Balance as at beginning of the year	-	-
Recognised on account of adoption of Ind AS 116 (Leases) (in respect of building)	1,88,24,315	-
Addition	-	-
Deletion	-	-
Depreciation	47,66,940	-
Balance as at end of the year	1,40,57,375	-

## 4C. Intangible assets under development (Refer Note 4.4)

	(Amount in ₹)
As at 31 March 2019	1,85,29,321
As at 31 March 2020	1,77,18,540

- 4.1 Employee benefit expenses of Rs 1,46,57,670/- (Previous Year: Rs 2,09,04,337/-) has been capitalised under the intangible assets and intangible assets under development
- 4.2 Addition in Learnflix Mobile Application & Content include advertisement of Rs 38.28 lacs incurred for launching of Learnflix Application.
- 4.3 Management is of view that classwise segregation of revenue is not possible and therefore impairment exercise cannot be done classwise. Management carries the exercise of the impairment on the basis of project and it is certified that there is no impairment during the year
- 4.4 Details of Intangible assets under development as on 31.03.2020:

Particulars	(Amount in ₹)		
	Closing Value	Expected Completion Date	Expected Cost
Destination Success	1,40,21,208	30.09.2020	15 lacs
Learnflix	36,97,371	30.09.2020	48 lacs
Total	1,77,18,579		



5. Financial Assets

5A. Trade receivables

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
<b>Trade receivables</b>		
Unsecured, considered good *	7,27,34,973	8,25,62,289
Doubtful	2,76,62,722	3,63,16,810
	<u>10,03,97,696</u>	<u>11,88,79,100</u>
<b>Less: Allowance for expected credit loss</b>		
Doubtful	(2,76,62,722)	(3,63,16,810)
	<u>(2,76,62,722)</u>	<u>(3,63,16,810)</u>
<b>Net Trade receivables</b>		
Unsecured, considered good **	7,27,34,973	8,25,62,289
Doubtful	-	-
	<u>7,27,34,973</u>	<u>8,25,62,289</u>
<b>Current</b>	<b>7,27,34,973</b>	<b>8,25,62,289</b>
<b>Non-Current</b>		

\* In absence of confirmations considered good by the Management.

\*\*No debts are due from directors or other officers of the company either severally or jointly with any other person.

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5B. Loans

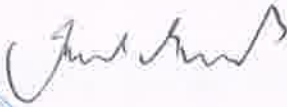


Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Security deposits - Non Current	31,88,203	30,71,686
Security deposits - Current	24,81,289	22,85,681
<b>Total Loans and Advances</b>	<b>56,69,492</b>	<b>53,57,367</b>
<b>Current</b>	<b>24,81,289</b>	<b>22,85,681</b>
<b>Non-Current</b>	<b>31,88,203</b>	<b>30,71,686</b>
Unsecured, considered good	56,69,492	53,57,367
Unsecured, considered doubtful	56,69,492	53,57,367



5C. Cash and cash equivalents

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- In current accounts	12,55,686	31,86,666
Cash in hand	8,17,550	1,17,409
<b>Total Cash and cash equivalents</b>	<b>20,73,236</b>	<b>33,04,075</b>

6. Inventories

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Stock-in-Trade (As taken, valued and certified by management)	1,99,62,502	42,44,080
<b>Total Inventories</b>	<b>1,99,62,502</b>	<b>42,44,080</b>

7. Other Assets

7A. Prepaid expenses

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Prepaid expenses (Non current)	3,92,551	5,68,041
Prepaid expenses (Current)	7,57,861	9,09,588
<b>Total Prepaid expenses</b>	<b>11,50,412</b>	<b>14,77,629</b>

7B. Other assets

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Deposit with government authority (Refer Note 7B.1)	11,00,000	11,00,000
Advance Taxes, TDS & Other Receivable		
- TDS (FY17-18)	-	29,02,523
- TDS (FY18-19)	35,80,019	23,18,132
- TDS (FY19-20)	20,16,393	-
- Duty Credit Scrips (Refer Note 7B. 2)	-	34,63,194
- Export Incentive (Refer Note 7B. 3)	79,47,338	56,16,530
- GST Credit Recoverable	14,87,363	13,17,231
Advance to Suppliers	11,86,884	52,02,120
Advance to employees Imprest	3,65,150	4,44,804
<b>Total Other assets</b>	<b>1,76,83,147</b>	<b>2,23,64,534</b>
<b>Current</b>	<b>1,73,41,008</b>	<b>2,21,74,122</b>
<b>Non-Current</b>	<b>14,92,551</b>	<b>16,68,041</b>

7B.1 Paid towards levy of penalty of Rs 27.50 Lacs under UP VAT. The matter has been set aside by the Appellate Authority so amount is recoverable and Management is of view that amount will be received in FY 2020-21.

7B.2 Non Transferable Duty Credit Scrips of Rs 34.63 Lacs written of on account of expiry.

7B.3 Represents for FY 2016-17 (Rs. 20,37,779/-), FY 2017-18 (Rs. 12,28,930/-), FY 2018-19 (Rs. 23,49,820/-) and FY 2019-20 (Rs. 23,30,808). In the opinion of management amount is considered good for recovery and will be received in FY 2020-21.

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**DS DIGITAL PRIVATE LIMITED**

CIN: U72200DL2008PTC173250

Notes to financial statement as at 31 March 2020

**8. Share Capital**

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
<b>Authorised</b>		
3,70,00,000 (31 March 2019: 3,70,00,000) equity shares of Rs 10/- each	37,00,00,000	37,00,00,000
<b>Issued, subscribed and fully paid up</b>		
3,47,28,920 (31 March 2019: 3,47,28,920) equity shares of Rs 10/- each	34,72,89,200	34,72,89,200
	<b>34,72,89,200</b>	<b>34,72,89,200</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

Equity shares	Numbers	Amount in Rs.
<b>Issued, subscribed and fully paid up</b>		
As at 1 April 2018	3,47,28,920	34,72,89,200
Increase/(Decrease) during the period		
As at 31 March 2019	<b>3,47,28,920</b>	<b>34,72,89,200</b>
Increase/(Decrease) during the period		
As at 31 March 2020	<b>3,47,28,920</b>	<b>34,72,89,200</b>

**b. Terms/ rights attached to equity shares**

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

**c. Share capital held by holding company and their subsidiaries**

	31 March 2020 (Rs.)	31 March 2019 (Rs.)
S Chand And Company Limited	17,68,67,500	17,68,67,500
Safari Digital Education Initiatives Private Limited	17,03,71,650	17,03,71,650


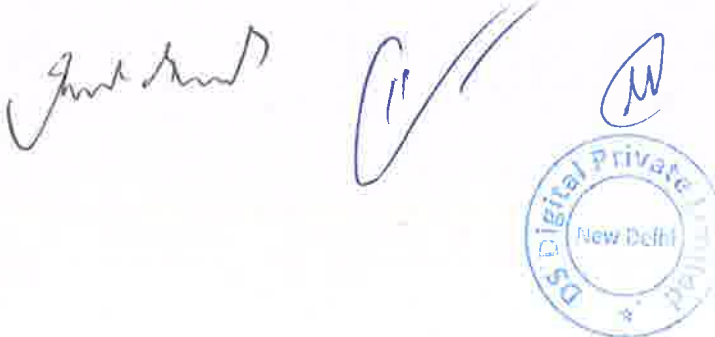
**d. Details of shareholders holding more than 5% equity shares in the Company:**

	No. of shares held	% of holding
S Chand And Company Limited	1,76,86,750	50.93%
Safari Digital Education Initiatives Private Limited	1,70,37,165	49.06%

**9. Other Equity**

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
<b>Retained earnings</b>		
Balance as the Beginning of reporting period	(45,85,21,864)	(39,03,12,472)
Add: Surplus during the year	(8,25,40,122)	(6,88,16,795)
Add: Equity Component (I) Preference Shares	2,66,91,493	-
Add: Other Comprehensive income	1,02,399	6,07,402
<b>Balance as the end of reporting period (A)</b>	<b>(51,42,68,094)</b>	<b>(45,85,21,864)</b>
<b>Equity component of preference shares</b>		
Equity component (I Preference shares)		2,66,91,493
Equity component (II Preference shares)	16,00,00,000	16,00,00,000
<b>Balance as the end of reporting period (B)</b>	<b>16,00,00,000</b>	<b>18,66,91,493</b>
<b>Total (A+B)</b>	<b>(35,42,68,094)</b>	<b>(27,18,30,371)</b>

9.1 The option of conversion has not exercised by Safari Digital Education Initiatives Private Limited on expiry of 5 years hence Equity Component (I Preference Shares) has been transferred to retained earnings and debt component has become payable at 31 March 2020 and accordingly shown as unsecured current borrowings.

## I Preference shares

Company offered and issued 61,70,400 1% optionally convertible non-cumulative Preference Shares ("OCNCPS") of Rs.10 each to Safari Digital Education Initiatives Private Limited ("Safari Digital" or the "Holder") as per special resolution passed on 24th March, 2015. Safari Digital is wholly owned subsidiary of S Chand And Company Limited.

Convertible Preference share shall have preferential right vis-a-vis Equity Share of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital.

Convertible Preference share shall have non-cumulative and non-participating in surplus fund.

Convertible Preference share shall have optionally convertible into equity shares of the Company after a period of 2 years from the date of issue at the option of the Safari Digital Education Initiatives Private Limited

Convertible Preference share Shall carry voting rights as per the provisions of Section 47(2) of the Act;

After 5 years, if not converted into Equity Shares then it shall be mandatorily re-deemed.

### 1% optionally convertible non-cumulative Preference Shares

Particulars	As at	As at
	31 March 2020	31 March 2019
As per last Balance Sheet	6,17,04,000	6,17,04,000
Changes during the period	-	-
<b>Balance at end of year</b>	<b>6,17,04,000</b>	<b>6,17,04,000</b>

### The reconciliation of the number of shares outstanding is set out below:

Particulars	As at	As at
	31 March 2020	31 March 2019
Preference shares at the beginning of the period	61,70,400	61,70,400
Add: Issue of Shares	-	-
Preference shares at the end of the period	<b>61,70,400</b>	<b>61,70,400</b>

### The details of shareholders holding more than 5% preference shares of the Company:

Name of Shareholders	As at	As at
	31 March 2020	31 March 2019
Safari Digital Education Initiatives Private Limited (100 % shareholding)	61,70,400	61,70,400
	<b>61,70,400</b>	<b>61,70,400</b>

## II Preference shares

Company offered and issued 1,60,00,000 1% optionally convertible non-cumulative Preference Shares ("OCNCPS") of Rs.10 each as per special resolution 31st August, 2016 to S Chand And Company Limited.

Convertible Preference share shall have preferential right vis-a-vis Equity Share of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital.

Convertible Preference share shall have non-cumulative and non-participating in surplus fund.

Convertible Preference share shall have optionally convertible into equity shares of the Company after a period of 2 years from the date of issue at the option of the DS Digital Private Limited.

Convertible Preference share Shall carry voting rights as per the provisions of Section 47(2) of the Act;

After 5 years, if not converted into Equity Shares by the Holder then it shall be mandatorily re-deemed.

### 1% optionally convertible non-cumulative Preference Shares

Particulars	As at	As at
	31 March 2020	31 March 2019
As per last Balance Sheet	16,00,00,000	16,00,00,000
Changes during the period	-	-
<b>Balance at end of period</b>	<b>16,00,00,000</b>	<b>16,00,00,000</b>

### The reconciliation of the number of shares outstanding is set out below:

Particulars	As at	As at
	31 March 2020	31 March 2019
Preference shares at the beginning of the period	1,60,00,000	1,60,00,000
Add: Issue of Shares	-	-
Preference shares at the end of the period	<b>1,60,00,000</b>	<b>1,60,00,000</b>

### The details of shareholders holding more than 5% preference shares of the Company:

Name of Shareholders	As at	As at
	31 March 2020	31 March 2019
S Chand And Company Limited (100 % shareholding)	1,60,00,000	1,60,00,000
	<b>1,60,00,000</b>	<b>1,60,00,000</b>



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10. Borrowings

10A. Non-current borrowings

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
<b>Secured Loans</b>		
Siemens Financial Services Private Limited (Refer Note 10A.1)	3,00,07,994	4,35,50,127
Hewlett Packard Financial Services (India) Private Limited (Refer Note 10A.1)	23,82,686	-
<b>Unsecured Loans</b>		
Preference Shares - Liability component	-	5,50,92,860
Loan from related party		
- Safari Digital Education Initiatives Private Limited (Refer Note 10A.2)	6,03,31,564	5,66,19,475
- S Chand and Company Limited (Refer Note 10A.3)	11,19,28,193	7,49,77,662
- Eurasia Publishing House Private Limited (Refer Note 10A.4)	63,35,517	57,74,696
- Chhaya Prakashani Private Limited (Refer Note 10A.5)	9,29,91,850	5,18,86,129
- Nirja Publishers & Printers Private Limited (Refer Note 10A.6)	3,14,39,618	2,86,36,054
<b>Total Non-current borrowings</b>	<b>33,54,17,422</b>	<b>31,65,37,003</b>
<b>Less : Current Maturities of long Term Borrowings</b>	<b>2,29,25,291</b>	<b>2,31,73,639</b>
<b>Non Current Borrowings after deduction of current maturities of long term borrowing:</b>	<b>31,24,92,131</b>	<b>29,33,63,364</b>
<b>Secured Loan</b>	<b>3,23,90,680</b>	<b>4,35,50,127</b>
<b>Unsecured Loans</b>	<b>30,30,26,742</b>	<b>27,29,86,876</b>

10A.1. Secured loans are charged against the Movable Fixed Assets of the Company.

10A.2. Includes Interest Bearing Loan for Rs 5,36,00,000/- (Mar'19 Rs 5,36,00,000/-) and interest accrued of Rs. 67,31,564/- (Mar'19 Rs 30,19,475/-)

10A.3. Optionally Convertible Loan amount Rs. 9,69,53,450/- (Mar'19 Rs 6,75,53,450/-) & Interest accrued Rs. 1,49,74,743/- (Mar'19 Rs.74,24,212/-)

10A.4. Optionally Convertible Loan amount Rs. 50,00,000/- (Mar'19 Rs 50,00,000/-) & Interest accrued Rs. 13,35,517/- (Mar'19 Rs. 7,74,696/-)

10A.5. Optionally Convertible Loan amount Rs. 8,50,00,000/- (Mar'19 Rs.5,00,00,000/-) & Interest accrued Rs.79,91,850/- (Mar'19 Rs.18,86,129/-)

10A.6. Optionally Convertible Loan amount Rs. 2,50,00,000/- (Mar'19 Rs 2,50,00,000/-) & Interest accrued Rs.64,39,618/- (Mar'19 Rs.36,36,054/-)

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**DS DIGITAL PRIVATE LIMITED**

CIN: U72200DL2008PTC173250

Notes to financial statement as at 31 March 2020

**10B. Current borrowings**

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
<b>Secured:</b>		
Cash credit from banks - (Refer Note 10B.1)		
Standard Chartered Bank	2,46,40,356	4,21,75,144
<b>Unsecured :</b>		
<b>Loans from related parties-</b>		
Safari Digital Education Initiatives Private Limited (Refer Note 9.1)	6,17,04,000	-
S Chand and Company Limited (Running account) (Refer Note 10B.2)	4,81,82,644	3,59,09,433
Blackie & Son (Calcutta) Private Limited	87,76,614	79,99,561
<b>Total</b>	<b>14,33,03,614</b>	<b>8,60,84,139</b>
<b>Secured</b>	<b>2,46,40,356</b>	<b>4,21,75,144</b>
<b>Unsecured</b>	<b>11,86,63,258</b>	<b>4,39,08,994</b>

10B.1. Exclusive charge on entire current assets and movable fixed assets (except assets which are exclusively charged under equipment financing).

10B.2. Running Account with S Chand and Company Limited is interest free.

**11. Trade payables**

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises	70,56,349	-
Total outstanding dues of related entities	1,72,09,701	1,46,117
Total outstanding dues of creditors other than micro enterprises & small enterprises	2,72,03,053	6,51,38,119
<b>Total Trade payables</b>	<b>5,14,69,103</b>	<b>6,52,84,236</b>
<b>Current</b>	<b>5,14,69,103</b>	<b>6,52,84,236</b>
<b>Non-Current</b>		

11.1 Information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. Company has not provided interest as no supplier has demanded any interest.

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**DS DIGITAL PRIVATE LIMITED**

CIN: U72200DL2008PTC173250

Notes to financial statement as at 31 March 2020

**12 Other financial liabilities**

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Expenses Payables	71,34,948	89,55,839
Employee salary Payable	10,80,816	33,83,373
Current maturities of long-term Borrowings	2,29,25,291	2,31,73,639
Other financial liabilities (Employees Imprest)	30,20,038	22,24,583
<b>Total other financial liabilities</b>	<b>3,41,61,093</b>	<b>3,77,37,433</b>
<b>Current</b>	<b>3,41,61,093</b>	<b>3,77,37,433</b>
<b>Non current</b>	-	-

**13 Lease Liability**

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Lease Liability (Current)	42,33,313	-
Lease Liability (Non-Current) (In respect of building taken on lease)	1,08,56,060	-
<b>Total Lease Liability</b>	<b>1,50,89,373</b>	-
<b>Current</b>	<b>42,33,313</b>	-
<b>Non current</b>	<b>1,08,56,060</b>	-

**14 Provisions**

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Provision for retirement benefits		
- Gratuity	26,60,936	30,87,904
- Leave Encashment	20,79,895	28,46,111
<b>Total Provisions</b>	<b>47,40,831</b>	<b>59,34,015</b>
<b>Current</b>	<b>6,45,177</b>	<b>8,85,967</b>
<b>Non current</b>	<b>40,95,654</b>	<b>50,48,048</b>

**15 Other liabilities**

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
<b>Other payables:</b>		
Statutory dues	15,85,862	42,76,344
Advance from customers (as certified by management)	53,17,105	42,14,241
<b>Total Other liabilities</b>	<b>69,02,967</b>	<b>84,90,585</b>
<b>Current</b>	<b>69,02,967</b>	<b>84,90,585</b>
<b>Non current</b>	-	-








**DS DIGITAL PRIVATE LIMITED**

CIN: U72200DL2008PTC173250

Notes to financial statement for the year ended 31 March 2020

**16. Revenue From Operations**

Particulars	(Amount in ₹)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Sale of products</b>		
Finished goods	64,14,986	4,01,90,957
<b>Sale of services (Refer Note 16.1)</b>	15,14,57,025	15,88,05,019
<b>Other Operating Revenues</b>		
Export Incentive	23,30,808	23,49,820
<b>Total revenue from operations</b>	<b>16,02,02,819</b>	<b>20,13,45,796</b>
<b>Detail of sale of services</b>		
<b>Domestic</b>		
Customized Interactive Education Services	8,41,52,599	9,29,77,819
Income From Pre School Educational Activity	1,14,81,170	1,40,88,517
Learnflix Ebooks	92,07,096	
<b>Export</b>		
Customised Interactive Education Services	4,66,16,160	5,17,38,683
	<b>15,14,57,025</b>	<b>15,88,05,019</b>

16.1 Includes Rs 54.56 Lacs [Previous Year: Rs. 32.70 Lacs] pertaining to the next financial year (refer accounting policy Note No2.).

**17. Other Incomes**

Particulars	(Amount in ₹)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Foreign Exchange Rate Difference	12,27,215	6,89,465
Interest on Income Tax Refund	1,60,137	1,96,193
Provision reversed on account of Actual Bad Debt	2,42,77,396	1,30,25,897
Fair Value Gain on Security Deposit	4,68,205	4,07,672
Other Income	4,63,553	7,06,807
<b>Total other income</b>	<b>2,65,96,506</b>	<b>1,50,26,033</b>







**DS DIGITAL PRIVATE LIMITED**

CIN: U72200DL2008PTC173250

Notes to financial statement for the year ended 31 March 2020

**18. Purchase & implementation cost**

(Amount in ₹)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Computer & Peripherals	65,27,610	3,06,67,824
E Books	1,68,64,451	-
English Labs (Kit)	1,06,200	5,70,000
<b>Total Purchase &amp; implementation cost</b>	<b>2,34,98,261</b>	<b>3,12,37,824</b>

**19. (Increase)/Decrease in Inventories**

(Amount in ₹)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Inventories at the beginning of the year</b>		
Trade Items	42,44,080	37,67,212
<b>Inventories at the end of the year</b>		
Trade Items	1,99,62,502	42,44,080
<b>(Increase)/decrease in inventories</b>	<b>(1,57,18,422)</b>	<b>(4,76,868)</b>

**20. Employee Benefits Expenses**

(Amount in ₹)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, Wages, Allowances	2,72,18,552	4,33,87,716
Provident Fund & ESI	23,37,155	27,24,628
Staff Welfare and Medical Insurance	10,64,763	11,77,626
Gratuity	8,74,231	9,70,490
Leave encashment	71,771	5,67,401
Bonus and Exgratia	4,86,301	7,82,508
Other Benefits to Staff	28,67,929	63,85,962
<b>Total employee benefits expenses</b>	<b>3,49,20,702</b>	<b>5,59,96,331</b>

**21. Selling and Distribution Expenses**

(Amount in ₹)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Advertisement and conference expenses	20,99,186	36,67,431
Travelling and boarding expenses	97,81,773	1,72,04,150
Freight, cartage and installation expenses	13,54,740	53,67,548
Marketing & Channel expenses (Refer Note 21.1)	9,14,977	2,22,42,758
Business promotion	2,04,874	1,73,833
<b>Total selling and distribution expenses</b>	<b>1,43,55,550</b>	<b>4,86,55,720</b>

21.1 Due to termination of agreement with commission agents no commission has been paid on Export of Services in FY19-20.

**22. Finance Cost**

(Amount in ₹)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest Expense		
on term loan	50,12,498	59,88,204
on other loan	3,13,54,910	2,45,23,274
on Lease Liability (ROU)	18,57,058	-
Others	32,39,023	1,07,196
Fair Value Loss on Preference Shares	66,11,140	59,02,808
Bank Charges	4,27,836	6,78,294
<b>Total finance cost</b>	<b>4,85,02,465</b>	<b>3,71,99,777</b>

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23. Other Expenses

Particulars	(Amount in ₹)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Office Expense	26,49,181	41,80,023
Professional /Consultancy charges	1,07,56,604	54,46,618
Conveyance Expenses	3,54,587	3,46,341
Electricity & Genset Expenses	13,97,877	19,55,886
Repair & Maintenance	93,40,351	83,01,718
Office Stationery	1,58,658	3,40,640
Telephone	3,14,470	8,25,762
Rent expenses	23,85,007	88,45,045
Auditor's Remuneration (Refer Note 23.4)	3,50,000	3,50,000
Amount written off (Refer Note 23.1)	36,47,356	3,77,053
Insurance Expenses	1,45,938	1,48,483
Rates & Taxes (Refer Note 23.2)	55,77,834	49,437
Bad Debts Written Off	2,42,77,397	1,30,25,897
School Van Running Expense	13,29,962	18,69,011
Provision for Expected Credit Loss	1,56,23,308	50,22,255
Fair Value Loss on Security Deposit	5,13,400	2,99,025
Fixed Assets written off	2,86,549	-
Loss on Sale of Fixed Assets	41,867	33,478
Miscellaneous Expenses (Refer Note 23.3)	87,84,708	95,24,786
<b>Total other expenses</b>	<b>8,79,35,054</b>	<b>6,89,41,458</b>

23.1 Includes Non Transferable Duty Credit Scripts amounting Rs 34.63 lacs (PY: Nil), amounts written off Rs 1.84 lacs (PY: Rs 2.61 lacs)

23.2 Includes Rs 40.63 lacs on account of liability recognized on the basis of Service Tax Audit for the period April 2014 to June 2017.

23.3 Includes security charges Rs. 9.27 lacs (PY: Rs. 12.82 lacs), courier charges Rs 3.57 lacs (PY: Rs. 10.21 lacs), computer expenses 6.71 lacs (PY : Rs 6.25 lacs), shared management services as certified by management to holding company is Rs 41.68 lacs (PY: Rs 51.67 lacs) and educational services Rs 23.24 lacs (PY: Nil)

23.4 Payment to auditor

Particulars	(Amount in ₹)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>As auditor</b>		
For Audit	3,50,000	3,50,000
Reimbursement of expenses	-	-
	<b>3,50,000</b>	<b>3,50,000</b>

24. Depreciation and Amortisation Expenses

Particulars	(Amount in ₹)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant & equipment	2,95,05,444	2,93,79,765
Amortisation of intangible assets	3,62,07,022	3,36,65,763
Amortisation of Right-of-use asset	47,66,940	-
<b>Total depreciation and amortisation expense:</b>	<b>7,04,79,406</b>	<b>6,30,45,527</b>

25. Components of Other Comprehensive Income (OCI)

The disaggregation of changes in other comprehensive income by each type of equity is shown below:

Particulars	(Amount in ₹)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Re-measurement gains/(losses) on defined benefit plans	1,38,377	8,20,814
Tax impact on re-measurement gains/(losses) on defined benefit plans	(35,978)	(2,13,412)
	<b>1,02,399</b>	<b>6,07,402</b>

26. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all dilutive potential equity shares into equity shares.

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

Particulars	(Amount in ₹)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Net Loss after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	(8,25,40,122)	(6,88,16,795)
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	3,47,28,920	3,47,28,920
Face Value per equity share	10	10
Basic Earnings per share	(2.38)	(1.98)
Diluted Earnings per share	(2.38)	(1.98)

Note: The effect of weighted average potential Equity shares to be issued at the time of conversion of optionally convertible preference shares is anti-dilutive in nature and hence not considered in calculation of dilutive earnings per share.

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## 27 Defined benefit plans:

## A. Gratuity

The company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death.

The Company has provided for gratuity based on the actuarial valuation done as per Project Unit Credit Method.

The following table sets out for the status of gratuity plan:

		(Amount in ₹)	
Particulars		2019-20	2018-19
<b>I</b>	<b>Change in present value of defined benefit obligation during the year</b>		
	Defined Benefit Obligation as of Prior Year	30,87,904	32,33,755
	Service Cost :-		
	Current service cost	6,66,924	7,42,545
	Past service cost		
	Interest Cost	2,07,307	2,27,945
	Benefit payments directly by employer	(11,62,822)	(2,95,527)
	Actuarial (Gain) / Loss - Demographic	(204)	
	Actuarial (Gain) / Loss - Financial	2,62,475	48,061
	Actuarial (Gain) / Loss - Experience	(4,00,648)	(8,68,875)
	<b>Defined Benefit Obligation at the end of Current Year</b>	<b>26,60,936</b>	<b>30,87,904</b>
<b>II</b>	<b>Change in fair value of plan assets during the year</b>		
	There is no plan assets		
<b>III</b>	<b>Net asset/ (liability) recognised in the balance sheet</b>		
	Net defined benefit liability (asset) at prior year end	30,87,904	32,33,755
	Defined benefit cost included in P&L	8,74,231	9,70,490
	Total remeasurements included in OCI	(1,38,377)	(8,20,814)
	Direct benefit payments by Employer	(11,62,822)	(2,95,527)
	<b>Net defined benefit liability (asset) - end of period</b>	<b>26,60,936</b>	<b>30,87,904</b>
<b>IV</b>	<b>Expense recognised in the statement of profit or loss during the year</b>		
	Service cost	6,66,924	7,42,545
	Net interest cost	2,07,307	2,27,945
	<b>Total expense recognised in the employee benefit expense</b>	<b>8,74,231</b>	<b>9,70,490</b>
<b>V</b>	<b>Recognised in other comprehensive income for the year</b>		
	Cumulative OCI - (Income)/Loss, Beginning of Period	(7,58,142)	62,672
	Total remeasurements included in OCI	(1,38,377)	(8,20,814)
	Cumulative OCI - (Income)/Loss, End of Period	(8,96,519)	(7,58,142)
<b>VI</b>	<b>Maturity profile of defined benefit obligation</b>		
	Year 1	3,17,683	3,77,023
	Year 2	3,27,458	4,23,226
	Year 3	3,19,346	4,23,833
	Year 4	3,01,599	3,97,075
	Year 5	2,86,371	5,58,158
	Year 6 to 10	11,38,398	12,40,661
Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:			
<b>VII</b>	<b>Quantitative sensitivity analysis for significant assumptions is as below</b>		
	a) Impact of change in discount rate		
	Present Value of obligation at the end of the period		
	Discount rate - 100 basis points	28,32,594	32,59,322
	Discount rate + 100 basis points	25,07,986	29,33,181
	Impact of change		
	Discount rate - 100 basis points	(1,71,658)	(1,71,418)
	Discount rate + 100 basis points	1,52,950	1,54,723
	b) Impact of change in salary		
	Present Value of obligation at the end of the period		
	Rate - 100 basis points	25,27,008	29,31,493
	Rate + 100 basis points	28,04,885	32,54,625
	Impact of change		
	Discount rate - 100 basis points	1,33,928	1,56,411
	Discount rate + 100 basis points	-1,43,949	(1,66,721)
<b>VIII</b>	<b>Actuarial assumptions</b>		
	Discount Rate	6.30%	7.15%
	Future salary increase	6.00%	6.00%
	Future salary increase (Second Year Onwards)	8.00%	8.00%
	Retirement Age (years)	60 Years	60 Years
	Mortality rates inclusive of provision for disability	IAM (2012-14)	IAM (2006-08)
	Withdrawal rate	15%	15%

The actuarial valuation of the present valuation of defined benefit obligation were carried out as at March 31, 2020. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

As per para 83 of Ind AS 19, the rate used to discount post-employment benefit obligations (both funded and unfunded) shall be determined by reference to market yields at the end of the reporting period on government bonds.




**B. Leave Encashment**

In respect of leave encashment benefit, accrual is made on the basis of a year-end actuarial valuation in pursuance of the Company's leave rules.

The Company has provided for leave benefits based on the actuarial valuation done as per Project Unit Credit Method.

The following table sets out for the status of leave encashment plan:

		(Amount in ₹)	
	Particulars	2019-20	2018-19
<b>I</b>	<b>Change in present value of defined benefit obligation during the year</b>		
	Defined Benefit Obligation as of Prior Year	28,46,111	30,47,850
	Service Cost :-		
	Current service cost	6,85,795	9,09,079
	(Gain)/Loss on curtailments	(6,85,795)	-
	Interest Cost	1,85,302	2,07,934
	Benefit payments directly by employer	(8,37,987)	(7,69,140)
	Actuarial (Gain) / Loss - Demographic	(128)	-
	Actuarial (Gain) / Loss - Financial	1,96,127	41,503
	Actuarial (Gain) / Loss - Experience	(3,09,530)	(5,91,114)
	<b>Defined Benefit Obligation at the end of Current Year</b>	<b>20,79,895</b>	<b>28,46,111</b>
<b>II</b>	<b>Change in fair value of plan assets during the year</b>		
	There is no plan assets		
<b>III</b>	<b>Net asset/ (liability) recognised in the balance sheet</b>		
	Net defined benefit liability (asset) at prior year end	28,46,111	30,47,850
	Defined benefit cost included in P&L	71,771	5,67,401
	Total remeasurements included in OCI	-	-
	Direct benefit payments by Employer	(8,37,987)	(7,69,140)
	<b>Net defined benefit liability (asset) - end of period</b>	<b>20,79,895</b>	<b>28,46,111</b>
<b>IV</b>	<b>Expense recognised in the statement of profit or loss during the year</b>		
	Service cost	-	9,09,079
	Net interest cost	1,85,302	2,07,934
	Immediate recognition of loss	(1,13,531)	(5,49,611)
	<b>Total expense recognised in the employee benefit expense</b>	<b>71,771</b>	<b>5,67,401</b>
<b>V</b>	<b>Recognised in other comprehensive income for the year</b>		
	Cumulative OCI - (Income)/Loss, Beginning of Period	-	-
	Total remeasurements included in OCI	-	-
	Cumulative OCI - (Income)/Loss, End of Period	-	-
<b>VI</b>	<b>Maturity profile of defined benefit obligation</b>		
	Year 1	3,27,494	5,08,944
	Year 2	2,69,024	4,18,690
	Year 3	2,46,687	3,76,737
	Year 4	2,26,188	3,38,957
	Year 5	2,07,376	3,73,394
	Year 6 to 10	8,31,355	11,02,583
<b>VII</b>	<b>Quantitative sensitivity analysis for significant assumptions is as below</b>		
	a) Impact of change in discount rate		
	Present Value of obligation at the end of the period		
	Discount rate - 100 basis points	22,06,548	29,94,149
	Discount rate + 100 basis points	19,66,977	27,12,508
	Impact of change		
	Discount rate - 100 basis points	(1,26,653)	(1,48,038)
	Discount rate + 100 basis points	1,12,918	1,33,603
	b) Impact of change in salary		
	Present Value of obligation at the end of the period		
	Rate - 100 basis points	19,76,424	27,09,916
	Rate + 100 basis points	21,93,554	29,94,333
	Impact of change		
	Discount rate - 100 basis points	1,03,471	1,36,195
	Discount rate + 100 basis points	(1,13,659)	(1,48,222)
<b>VIII</b>	<b>Actuarial assumptions</b>		
	Discount Rate	6.30%	7.15%
	Future salary increase (For First Year)	6.00%	6.00%
	Future salary increase (Second Year Onwards)	8.00%	8.00%
	Retirement Age (years)	60 Years	60 Years
	Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2006-08)
	Withdrawal rate	15%	15%



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**DS DIGITAL PRIVATE LIMITED**

CIN: U72200DL2008PTC173250

Notes to financial statement for the year ended 31 March 2020

**28A Deferred tax assets (net)**

Deferred tax is calculated, in full, on all temporary timing differences under the liability method based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. The movement on the deferred tax account is as follows:

Particulars	(Amount in ₹)			
	As at 31 March, 2019	For the year ended 31 March, 2020		As at 31 March, 2020
		Recognised in		
	Profit & Loss	OCI		
<b>Tax effect of items constituting Deferred Tax Liabilities</b>				
Property, plant and equipment	(3,06,60,736)	(28,92,535)	-	(3,35,53,271)
<b>(A)</b>	<b>(3,06,60,736)</b>	<b>(28,92,535)</b>	<b>-</b>	<b>(3,35,53,271)</b>
<b>Tax effect of items constituting Deferred Tax Assets</b>				
Carried Forward Losses	4,82,25,895	(1,93,39,324)	-	2,88,86,571
Unabsorbed Depreciation	10,97,93,807	1,54,66,503	-	12,52,60,310
Provisions	1,09,85,214	13,98,924	(35,978)	1,23,48,160
<b>(B)</b>	<b>16,90,04,916</b>	<b>(24,73,896)</b>	<b>(35,978)</b>	<b>16,64,95,042</b>
<b>Deferred Tax Assets (Net)</b>	<b>13,83,44,180</b>	<b>(53,66,431)</b>	<b>(35,978)</b>	<b>13,29,41,771</b>


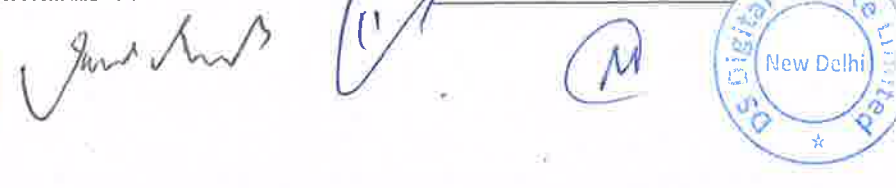
Particulars	For the year ended 31 March, 2019			
	As at 31 March, 2018	Recognised in		As at 31 March, 2019
		Profit & Loss	OCI	
<b>Tax effect of items constituting Deferred Tax Liabilities</b>				
Property, plant and equipment	(3,46,92,796)	40,32,060	-	(3,06,60,736)
<b>(A)</b>	<b>(3,46,92,796)</b>	<b>40,32,060</b>	<b>-</b>	<b>(3,06,60,736)</b>
<b>Tax effect of items constituting Deferred Tax Assets</b>				
Carried Forward Losses	5,22,26,898	(40,01,003)	-	4,82,25,895
Unabsorbed Depreciation	9,63,68,817	1,34,24,990	-	10,97,93,807
Provisions	1,32,43,529	(20,44,903)	(2,13,412)	1,09,85,214
<b>(B)</b>	<b>16,18,39,244</b>	<b>73,79,084</b>	<b>(2,13,412)</b>	<b>16,90,04,916</b>
<b>Deferred Tax Assets (Net)</b>	<b>12,71,46,448</b>	<b>1,14,11,144</b>	<b>(2,13,412)</b>	<b>13,83,44,180</b>

28A.1 The Board of Directors at its meeting held on November 14, 2017 & April 06, 2018, approved the Composite Scheme of Arrangement ("Scheme") amongst Blackie & Son (Calcutta) Private Limited ("Company"), Nirja Publishers and Printers Private Limited ("Nirja"), DS Digital Private Limited ("DS Digital"), Safari Digital Education Initiatives Private Limited ("Safari") and S Chand And Company Limited ("S Chand") and their respective shareholders and creditors. The said Scheme had been filed with the Hon'ble National Company Law Tribunal, New Delhi Bench for its approval. The Scheme inter alia includes amalgamation of Blackie & Nirja with and into S Chand, demerger of the education business of DS Digital & Safari with and into S Chand and amalgamation of residual business (after demerger) of DS Digital with and into Safari. NCLT vide its order dated February 10, 2020 had directed to convene meetings of shareholders, secured & unsecured creditors of S Chand and meeting of secured & unsecured creditors of Nirja and DS Digital ("the meetings") for approval of the Scheme. Due to Covid19 pandemic and nationwide lockdown the meetings were adjourned. NCLT vide its order dated May 29, 2020 has directed to convene the meetings through video conferencing in the month of July 2020.

The Company has accounted for deferred tax assets on the brought forward losses on the ground that scheme of merger would be effective w.e.f. 01.04.2017. During the year Rs. 54.02 Lacs (net of Rs 30.95 Lacs income on account of merging business) has been accounted for expense by reversing the deferred tax assets of Rs. 84.97 Lacs (accounted in earlier years) on account of non-probabilities of earning taxable differences in future relating to non merging business.

**28B Tax Expenses**

Particulars	(Amount in ₹)	
	For the year ended 31 March 2020	ended 31 March 2019
<b>(a) Income Tax charged or credited to Statement of profit and Loss during the year</b>		
<b>In Statement of Profit and Loss</b>		
Current Tax		
Deferred Tax Credit	53,66,431	(1,14,11,145)
<b>In Other Comprehensive Income</b>		
Deferred Tax Credit	35,978	2,13,412
<b>Total</b>	<b>54,02,409</b>	<b>(1,11,97,733)</b>
<b>(b) Reconciliation of tax expenses</b>		
Accounting Loss before tax	(7,71,73,691)	(8,02,27,940)
Applicable Tax Rate	26.00%	26.00%
Computed Tax Expense	(2,00,65,160)	(2,08,59,264)
<b>Tax effect of:</b>		
Tax impact on lapsed B/F Losses	1,48,11,377	59,06,379
Tax impact on Raise Centre Losses (not accounted for)/ others	90,88,198	-
Tax Impact on	15,67,994	37,55,152
<b>Tax Expenses recognised in Statement of Profit and Loss</b>	<b>54,02,410</b>	<b>(1,11,97,733)</b>



29 Related Party Disclosures

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	-S Chand and Company Limited
2)	Associate Companies / Firms	
3)	Companies under same Management	-Safari Digital Education Initiatives Private Limited -Blackie & Son (Calcutta) Private Limited -Edutor Technologies India Private Limited -Eurasia Publishing House Private Limited -New Saraswati House (India) Private Limited -Nirja Publishers & Printers Private Limited -Vikas Publishing House Private Limited -S. Chand Edutech Private Limited -Chhaya Prakashani Private Limited -Indian Progressive Publishing Co. Private Limited -BPI (India) Private Limited
4)	Director's Substantial Shareholdings	-Hotel Tourist -SC Hotel Tourist Deluxe Private Limited -S Chand Properties Private Limited -S. Chand Hotels Private Limited -Shaara Hospitalities Private Limited -HMR Sports Ventures Private Limited -Amenity Sports Academy Private Limited -Amenity Public School
5)	Key Management Personnel	- Mr. Himanshu Gupta - Mr. Dinesh Kumar Jhunjhnuwala - Mr. Manish Kumar Goyal, Company Secretary (Appointed w.e.f. 17.05.2018) - Mr. Rajagopalan Chandrashekar, Independent Director (Appointed w.e.f. 07.08.2018) - Mr. Arvind Srivastava, Chief Financial Officer (Appointed w.e.f. 11.02.2019) - Mr. Sharad Talwar, Independent Director - Mr. Naveen Kundu, CEO (Resigned w.e.f. 30.09.2019)

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Nature of Transactions	Holding Company		Associates		Key Managerial Personnel & their relatives		Companies under Same Management		Directors Substantial Shareholdings		TOTAL	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
<b>Loans and Advances Received</b> S Chand And Company Limited Chhaya Prakashani Private Limited	2,93,00,000	2,50,00,000					3,50,00,000	5,00,00,000			2,93,00,000 3,50,00,000	2,50,00,000 5,00,00,000
<b>Repayment of Loans and Advances received</b> S Chand And Company Limited Safari Digital Education Initiatives Private Limited	72,00,000	-					-	19,72,396			72,00,000	- 19,72,396
<b>Purchase of Product/Services</b> S Chand And Company Limited Hotel Tourist SC Hotel Tourist Deluxe Private Limited Safari Digital Education Initiatives Private Limited Editor Technologies India Private Limited Vikas Publishing House Private Limited New Saraswati House (India) Private Limited	1,09,50,451	-							54,380 5,300	4,36,462	1,09,50,451 54,380 5,300	4,36,462
<b>Salary, Perks and Allowances</b> Navson Kundu Rajgopalani Chandrashekhar Sharad Talwar Atul Nischal Brahmdutt Sharma					19,82,130 1,25,000 1,00,000	44,93,455 1,00,000 2,50,000					19,82,130 1,25,000 1,00,000	44,93,455 1,00,000 2,50,000
<b>Interest Expense</b> Safari Digital Education Initiatives Private Limited Eurasia Publishing House Private Limited Blackie & Son (Calcutta) Private Limited Nirva Publishers & Printers Private Limited S Chand And Company Limited Chhaya Prakashani Private Limited	85,00,592	70,45,622					64,32,000 6,23,142 8,63,391 31,15,071	64,32,000 5,64,781 7,71,427 28,11,758			64,32,000 6,23,142 8,63,391 31,15,071	64,32,000 5,64,781 7,71,427 28,11,758
<b>Other Expenses</b> S Chand And Company Limited Editor Technologies India Private Limited Vikas Publishing House Private Limited	79,75,238	51,67,025					33,600 23,600	- -			79,75,238 33,600	51,67,025
<b>Loans and Advances Given</b> Editor Technologies India Private Limited							-	75,00,000				75,00,000
<b>Short Term Borrowings as at 31st March 2020</b> Blackie & Son (Calcutta) Private Limited S Chand And Company Limited	4,81,82,644	3,59,09,433					87,76,614	79,99,561			87,76,614 4,81,82,644	79,99,561 3,59,09,433
<b>Long Term Borrowings as at 31st March 2020</b> S Chand And Company Limited Nirva Publishers & Printers Private Limited Eurasia Publishing House Private Limited Safari Digital Education Initiative Private Limited Chhaya Prakashani Private Limited	11,19,28,193	7,49,77,662					3,14,39,618 63,35,517 6,03,31,564 9,29,91,850	2,86,36,054 57,74,696 5,67,19,475 5,18,86,129			11,19,28,193 3,14,39,618 63,35,517 6,03,31,564 9,29,91,850	7,49,77,662 2,86,36,054 57,74,696 5,67,19,475 5,18,86,129
<b>Trade Payables as at 31st March 2020</b> Hotel Tourist SC Hotel Tourist Deluxe Private Limited Safari Digital Education Initiative Private Limited Vikas Publishing House Private Limited Editor Technologies India Private Limited New Saraswati House (India) Private Limited							72,15,000 8,81,566 30,81,553 59,73,085	47,300 - (43,86,023) -	53,197 5,300	98,817	53,197 5,300	98,817 - 47,300 - (43,86,023)

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



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## 30 Contingent Liabilities

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Claims against the Company not acknowledged as debts		
1. VAT claim by U. P. VAT Act	27,50,000	27,50,000
2. Contractual Obligations	-	-
	27,50,000	27,50,000

Company has paid Rs 11 Lakhs for levy of penalty U/S 54(1) of U. P. VAT Act vide Appellate order the order has been set aside for re-adjudication

## 31 Unhedged foreign currency exposure :-

Particulars	31 March 2020			31 March 2019		
	(Amount in ₹)			(Amount in ₹)		
Trade receivables:-						
Qatari Riyal	10,35,500	QAR 50,000	20.71/- per QAR	44,65,667	QR 234,998	19.00/- per QAR
UAE Dirhams	1,96,79,769	AED 9,58,586	20.53/- per AED	13,91,537	AED 73,900	18.83/- per AED
Omani Rial	56,465	OMR 288	196.06/- per OMR			
<b>Total</b>	<b>2,07,71,734</b>			<b>58,57,204</b>		

## 32 Financial Instruments - Accounting classifications and fair value measurements

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

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

- A Fair Value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, and other financial instruments approximate their carrying amounts largely due to
- B Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level I Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level II Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly
- Level III Unobservable inputs for the asset or liability

	(Amount in ₹)	
	Carrying amount As at 31st 2020	Fair Value Level III
<b>Financial assets at amortised cost</b>		
Trade receivables	7,27,34,973	7,27,34,973
Cash and Bank balances	20,73,236	20,73,236
Loans	56,69,492	56,69,492
<b>Total</b>	<b>8,04,77,700</b>	<b>8,04,77,700</b>
<b>Financial liabilities at amortised cost</b>		
Borrowings	45,57,95,745	45,57,95,749
Trade payables	5,14,69,103	5,14,69,103
Other financial liabilities	3,41,61,093	3,41,61,094
<b>Total</b>	<b>54,14,25,941</b>	<b>54,14,25,946</b>

## 33 Additional information

	31 March 2020	31 March 2019
	(Amount in ₹)	(Amount in ₹)
<b>Earnings in foreign exchange:</b>		
A Export of goods/Services	4,66,16,160	5,17,38,683
	4,66,16,160	5,17,38,683
<b>Expenditure in foreign currency:</b>		
A Traveling	16,89,218	50,37,925
B Marketing/Branding & Commission		1,31,09,042
	16,89,218	1,81,46,967

- 34 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs. 188.24 Lacs and a corresponding lease liability of Rs. 150.89 Lacs. The effect of this adoption has decreased PAT by Rs. 7.64 Lacs and EPS by INR 0.02 per share. The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

## 35 Previous Year Figures have been regrouped/rearranged wherever necessary

For V. P. Jain & Associates  
Chartered Accountants

  
Sarthak Matham  
Partner  
Membership No : 547133  
Pr. No. : 015260N



For and on behalf of the Board of Directors of DS Digital Private Limited

  
Manish Gupta  
Director  
DIN : 00054015

  
Dinesh Kumar Bhatnagar  
Director  
DIN : 00282988

  
Arvind Srivastava  
Chief Financial Officer

  
Manish Kumar Goyal  
Company Secretary

Place : New Delhi  
Date : 17.06.2020

