V.P.JAIN & ASSOCIATES

Chartered Accountants
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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

Qualified 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, 2021, 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, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Due to Covid-19 Pandemic, Management could not conduct the physical verification of inventories on the reporting date, therefore we are unable to verify the existence/condition of inventories of Hardware of Rs. 31 Lacs to determine the adjustments that may be required to be made in the value of inventory and consequential effect thereof on financial statement as on March 31, 2021.

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

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FRN. 015260N
New Delhi

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 regarding non provision of interest on outstanding amount of MSME Supplier and Note no 7B regarding Export Incentive Receivable standing in the books of Rs 78,54,342/- for FY 2016-17 to FY 2019-20.

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 insufficient 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

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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. With respect to matter to be included in the Auditor's report under section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration to its directors for the year ended March 31, 2021. Therefore provision of section 197 (16) are not applicable.

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;

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(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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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

V. P. Jain & Associates
FRN 015260N
New Delhi
Chartered Accountants

Sarthak

Sarthak Madaan
Partner
Membership number: 547131

Place: New Delhi
Date: 14.06.2021
UDIN: 21547131AAAAA15545

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 2021, 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. The Company as part of its policy performs physical verification of Fixed Assets every year. For the full year since March 2020 and as at March 31, 2021, on account of COVID-19 restrictions on Schools reopening , the management could not perform physical verification of fixed assets to the date of approval of these financial statements. The management has, therefore, relied upon the Fixed Assets reflected in its books of accounts. The management intends to complete the physical verification process in the subsequent quarters, subject to opening up of restrictions , and doesn't expect any significant impact which could arise on completion of this process.

(b) 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, the Company as part of its policy performs physical verification of inventory annually in March every year. Accordingly, the management, had planned to carry out physical verification of inventory post closing of March 31, 2021, however on account of COVID-19 Second Wave and due to significant business activities subsequent to year-end, the management could not perform physical count of inventory as at March 31, 2021 through to the date of approval of these financial statements. Therefore we are unable to verify the existence/condition of inventories and accordingly we have qualified the report regarding this (refer basis for qualified opinion of our audit report*

(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 , no loans and investments made, hence Para (iv) of Order is not applicable

(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 31.03.2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, value added tax, cess which have not been deposited as at 31.03.2021 on account of any dispute except as follows :

Sl No.	**Name of Statute**	**Nature of Dues**	**Amount Rs/lacs**	**Forum where dispute is pending.**
2	Income Tax Act 1961	Demand u/s 143(3) for AY 2018-19 Imposed by National E Assessment centre	731.84	Appeal before the National Faceless Appeal Centre

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government during the year.

(ix) In our opinion and according to the information and explanation given to us, the term loans have been applied by the company during the year for the purposes for which they were obtained.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided any managerial remuneration within the meaning of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties in respect of availment 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.

ForV. P. Jain **&Associates**
Chartered Accountants
Firm's registration number: 015260N

SarthakMadaan
Partner
Membership number: 547131

Place: New Delhi
Date: 14.06.2021

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

V. P. Jain & Associates
FRN-015260N
New Delhi
Chartered Accountants

Sarthak

Sarthak Madaan
Partner
Membership number: 547131

Place: New Delhi
Date: 14.06.2021

DS DIGITAL PRIVATE LIMITED
CIN: U72200DL2008PTC173250
Balance sheet as at 31 March 2021

(Amount in ₹)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	3	5,42,62,238	8,25,83,837
Intangible assets	4A	19,03,61,520	19,46,04,933
Right-of-use assets	4B	74,46,972	1,40,57,375
Other intangible assets under development	4C	1,53,24,234	1,77,18,540
Financial assets			
- Loans	5B	20,26,544	31,88,203
Deferred tax assets (net)	28A	14,02,86,070	13,29,41,771
Other non-current assets	7	83,43,454	14,92,551
Total non-current assets		**41,80,51,032**	**44,65,87,210**
Current assets			
Inventories	6	1,64,87,860	1,99,62,502
Financial assets			
- Trade receivables	5A	7,85,93,364	7,27,34,973
- Cash and cash equivalents	5C	18,18,760	20,73,236
- Loans	5B	29,85,154	24,81,289
Other current assets	7	1,12,97,657	1,73,41,008
Total current assets		**11,11,82,795**	**11,45,93,008**
Total assets		**52,92,33,827**	**56,11,80,218**
Equity and liabilities			
Equity			
Equity share capital	8	34,72,89,200	34,72,89,200
Other equity	9	(46,33,21,043)	(35,42,68,094)
Total equity		**(11,60,31,843)**	**(69,78,894)**
Non-current liabilities			
Financial liabilities			
- Borrowings	10A	23,79,03,117	31,24,92,131
- Other financial liabilities		-	-
- Lease liability	13	38,16,701	1,08,56,060
Provisions	14	39,33,284	40,95,654
Total non current liabilities		**24,56,53,102**	**32,74,43,845**
Current liabilities			
Financial liabilities			
- Borrowings	10B	26,32,07,984	9,51,20,970
- Trade payables	11		
(a) Total outstanding dues of micro and small enterprises		59,21,989	70,56,349
(b) Total outstanding dues of creditors other than micro and small enterprises		9,89,51,063	9,25,95,398
- Other financial liabilities	12	2,43,56,383	3,41,61,093
- Lease liability	13	41,72,616	42,33,313
Other current liabilities	15	23,49,843	69,02,967
Provisions	14	6,52,690	6,45,177
Total current liabilities		**39,96,12,568**	**24,07,15,267**
Total equity and liabilities		**52,92,33,827**	**56,11,80,218**
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

Place : New Delhi
Date : 14.06.2021

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

Himanshu Gupta
Director
DIN : 00054015

Dinesh Kumar Jhunjhunuwala
Director
DIN : 00282988

Arvind Srivastava
Chief Financial Officer

Manish Kumar Goyal
Company Secretary
Mem. No. A36926

V. P. Jain & Associates Chartered Accountants FRN. 015260N New Delhi

DS Digital Private Limited New Delhi

DS DIGITAL PRIVATE LIMITED
CIN: U72200DL2008PTC173250
Statement of Profit and Loss for the year ended 31 March 2021

(Amount in ₹)

	Particulars	Notes	For the period ended 31 March 2021	For the year ended 31 March 2020
I	Revenue from Operations	16	8,30,32,687	16,02,02,819
II	Other Income	17	1,56,25,751	2,65,96,506
III	**Total Income (I+II)**		**9,86,58,438**	**18,67,99,325**
IV	**Expenses**			
	Purchases of Stock in trade	18	9,64,760	2,34,98,261
	(Increase)/decrease in inventories of finished goods and stock in trade	19	34,74,642	(1,57,18,422)
	Employee benefits expense	20	2,53,49,681	3,49,20,702
	Selling and distribution expenses	21	68,47,990	1,43,55,550
	Finance cost	22	3,99,68,892	4,85,02,465
	Other expenses	23	6,99,24,292	8,79,35,054
	Depreciation and amortisation expense	24	6,86,37,966	7,04,79,406
	Total expenses		**21,51,68,222**	**26,39,73,015**
V	**Profit/(loss) before exceptional items and tax (III - IV)**		**(11,65,09,785)**	**(7,71,73,691)**
VI	Exceptional item		-	-
VII	**Profit/(loss) before tax (V - VI)**		**(11,65,09,785)**	**(7,71,73,691)**
VIII	**Tax expense:**			
1)	Current tax			
	- Adjustment of tax relating to earlier period/year		17,582	-
	- Pertaining to profit for the current period/year		-	-
2)	Deferred tax (credit)/ charge		(73,78,144)	53,66,431
	Total tax expenses		**(73,60,562)**	**53,66,431**
IX	**Profit (Loss) for the period (VII - VIII)**		**(10,91,49,223)**	**(8,25,40,122)**
X	**Other Comprehensive Income**			
	- Items that will not be reclassified to profit or loss	25		
	Re-measurement gains/(losses) on defined benefit plans		1,30,174	1,38,377
	Tax impact on re-measurement gain/ (losses) on defined benefit plans		(33,845)	(35,978)
XI	**Total Comprehensive Income for the period (IX + X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)**		**(10,90,52,894)**	**(8,24,37,723)**
XII	**Earnings per equity share:**	26		
	(1) Basic		(3.14)	(2.38)
	(2) Diluted		(3.14)	(2.38)
	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 Madaan
Partner
Membership No.: 547131
Fr. No. : 015260N

Place : New Delhi
Date : 14.06.2021

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

Himanshu Gupta
Director
DIN : 00054015

Dinesh Kumar Jhunjhnuwala
Director
DIN : 00282988

Arvind Srivastava
Chief Financial Officer

Manish Kumar Goyal
Company Secretary
Mem. No. A36926

V. P. Jain & Associates FRN 015260N New Delhi Chartered Accountants

DS Digital Private Limited New Delhi

DS DIGITAL PRIVATE LIMITED
CIN: U72200DL2008PTC173250
Cash Flow Statement for the year ended 31 March 2021

(Amount in ₹)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities		
Profit before tax	(11,65,09,785)	(7,71,73,691)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	6,86,37,966	7,04,79,406
Interest expense	3,99,68,892	4,85,02,465
Provision for Doubtful Debts	2,10,97,699	1,56,23,308
Bad Debts Written Off	93,51,099	-
Provision reversed on account of Actual Bad Debt	(93,51,099)	-
Amounts Written off/(Other Income)	(33,22,683)	31,83,804
Fixed Assets written off	16,67,131	2,86,549
Loss on Foreign Exchange Fluctuations (Net)	10,91,838	(12,27,215)
Fair Value Gains on Financial Instruments	(33,433)	45,195
Employee Benefit Expenses	-	1,38,377
Other Adjustments	236	41,867
Operating profit before working capital changes	**1,25,97,861**	**5,99,00,065**
Movements in working capital :		
(Decrease)/increase in trade payables	52,21,305	(1,38,15,132)
(Decrease)/increase in provisions	(24,683)	(11,93,184)
(Decrease)/increase in other current liabilities	(44,28,458)	(11,24,067)
Decrease/(increase) in trade receivables	(2,80,47,927)	(82,16,133)
(Increase)/decrease in inventories	34,74,642	(1,57,18,422)
(Decrease)/increase in other financial liabilities	13,58,096	(33,27,992)
(Increase)/ in Other financial Assets	(23,06,441)	46,51,284
Cash generated from operating activities	**(1,21,55,605)**	**2,11,56,419**
Direct taxes paid (net of refunds)	-	-
Net cash flow from operating activities (A)	**(1,21,55,605)**	**2,11,56,419**
Cash flows from investing activities		
Purchase of fixed assets, including capital work in progress and capital advances	(3,10,00,397)	(4,64,58,478)
Proceed from sale of fixed assets	52,572	2,08,733
Net cash flow from investing activities (B)	**(3,09,47,825)**	**(4,62,49,745)**
Cash flows from financing activities		
Proceeds from long-term borrowings	(7,45,89,014)	1,91,28,767
Proceeds from short term borrowings	16,04,90,783	5,69,71,127
Repayment of Lease Liability	(40,98,125)	(37,34,942)
Interest paid	(3,89,54,689)	(4,85,02,465)
Net cash flow from financing activities (C)	**4,28,48,955**	**2,38,62,487**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(2,54,475)	(12,30,839)
Cash and cash equivalents at the beginning of the year	20,73,236	33,04,075
Cash and cash equivalents at the end of the year	**18,18,760**	**20,73,236**
Components of cash and cash equivalents		
Cash on hand	5,28,183	8,17,550
Balances with banks		
- on current account	12,90,577	12,55,686
Total cash and cash equivalents	**18,18,760**	**20,73,236**
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

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

V. P. Jain & Associates Chartered Accountants FRN: 015260N New Delhi

Place : New Delhi
Date : 14.06.2021
UDIN: 21547131AAAAA15545

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

Himanshu Gupta
Director
DIN : 00054015

Dinesh Kumar Jhunjhnuwala
Director
DIN : 00282988

Arvind Srivastava
Chief Financial Officer

Manish Kumar Goyal
Company Secretary
Mem. No. A36926

DS DIGITAL PRIVATE LIMITED
CIN: U72200DL2008PTC173250
Statement of changes in equity for the year ended 31 March 2021

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 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**
Increase/(decrease) during the year	-	-
At 31 March 2021	**3,47,28,920**	**34,72,89,200**

B. Other equity (Amount in ₹)

Particulars	Reserve & Surplus: Retained Earnings	Equity component of Non Cumulative Optionally Convertible Preference Share	Total
Balance as at 1st April 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	**(51,42,68,094)**	**16,00,00,000**	**(35,42,68,094)**
Profit for the period	**(10,91,49,223)**		
Other comprehensive income for the year	**96,329**		
Other Adjustment	(54)		
Total Comprehensive Income for the year	**(10,90,52,948)**	-	-
Balance as at 31 March 2021	**(62,33,21,044)**	**16,00,00,000**	**(46,33,21,043)**

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

Place : New Delhi
Date : 14.06.2021

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

Himanshu Gupta
Director
DIN : 00054015

Dinesh Kumar Jhunjhnuwala
Director
DIN : 00282988

Arvind Srivastava
Chief Financial Officer

Manish Kumar Goyal
Company Secretary
Mem. No. A36926

V. P. Jain & Associates
FRN 015260N
New Delhi
Chartered Accountants

DS Digital Private Limited
New Delhi

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 form 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.

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DS Digital Private Limited New Delhi

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 Useful life taken to compute the depreciation is as per the Revised Schedule III of the Companies Act 2013.

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 Equipment

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 taking 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) Depreciation on property, plant and equipment

   i. Depreciation on property, plant and equipment (other than freehold land) 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.

d) 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.

e) 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.

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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 Reporting 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

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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 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:-

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- 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 at year end 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.

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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.

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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
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.

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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 to the extent it does not exceed the difference between the Indian Borrowing costs and the foreign borrowing cost.

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'.

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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 Premises. 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 and accordingly accounting treatment is done in ROU and Lease Liabilities for such extension or termination of lease.

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.

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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.

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3. Property, plant and equipment

(Amount in ₹)

Particulars	Furniture & Fixtures	Office Equipment	Computers & Pheripherals	Vehicles	Plant & Equipment	Total
Cost						
As at 1 April 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	-	-	(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
Additions	-	-	19,95,080	-	-	19,95,080
Disposals/written off	-	-	3,43,98,778	-	-	3,43,98,778
As at 31 March 2021	1,05,57,747	31,59,268	14,68,90,967	-	11,12,872	23,05,18,411
Accumulated depreciation						
As at 1 April 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
Charge for the Year	9,32,567	3,20,173	2,72,41,108	-	1,02,885	2,85,96,733
Deductions	-	-	3,26,78,839	-	-	3,26,78,839
As at 31 March 2021	74,91,748	26,26,186	9,68,26,766	-	5,13,910	17,28,16,288
Net block						
As at 31 March 2020	39,98,567	8,53,255	7,70,30,167	-	7,01,848	8,25,83,837
As at 31 March 2021	30,66,001	5,33,074	5,00,64,201	-	5,98,962	5,42,62,238

3.1 Refer Note No 4D

3.2 Fixed assets having WDV of Rs 21 Lacs pertaining to closed learning centres will be utilised in other learning centres.

4A Intangible assets

(Amount in ₹)

Particulars	Learnflix Brand, Mobile App. & Content	Learning Content	Computer Software	Total
Gross block				
As at 1 April 2019	-	26,56,81,508	26,46,928	26,83,28,436
Purchases/internal development	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
Purchases/internal development (Refer Note 4A.1 and 4C.1)	1,09,44,108	1,98,26,722	6,28,832	3,13,99,662
Disposals/Transferred to Block	-	-	-	-
As at 31 March 2021	5,37,39,820	28,60,88,524	38,81,852	34,37,10,196
Accumulated depreciation				
As at 1 April 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
Amortization for the year	46,00,548	3,06,87,676	3,54,853	3,56,43,077
Deductions	-	-	-	-
As at 31 March 2021	53,24,589	14,52,75,764	27,48,323	15,33,48,677
Net block				
As at 31 March 2020	4,20,71,670	15,16,73,714	8,59,549	19,46,04,933
As at 31 March 2021	4,84,15,231	14,08,12,761	11,33,528	19,03,61,520

4A.1 Learnflix Mobile Application & Content include shared management services of Rs 29.94 lacs (31 March 2020 - Rs Nil), Advertisement Expense for launching of Learnflix Application of Rs Nil (31 March 2020 - Rs 38.28 Lacs) and Expenses towards one time Performance Testing, Automation testing, Environmental testing of Rs 72 Lacs (31 March 2020 - Rs Nil).

4A.2 Management is of view that class wise 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.

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4B. Right-of-use

(Amount in ₹)

Particulars	As at 31st March 2021	As at 31st March 2020
Balance as at beginning of the year	1,40,57,375	-
Recognised on account of adoption of Ind AS 116 (Leases) (in respect of building)	-	1,88,24,315
Addition	-	-
Deletion due to partial vacancy of building	22,12,156	-
Depreciation	43,98,247	47,66,940
Balance as at end of the year	**74,46,972**	**1,40,57,375**

4B.1 Refer Note 17.2

4C. Intangible assets under development

(Amount in ₹)

As at 31 March 2020	**1,77,18,540**
As at 31 March 2021	**1,53,24,234**

4C.1 Employee benefit expenses and professional expenses of Rs. 1,69,64,175/- (31 March 2020 - Rs. 1,46,57,670/-) has been capitalised under the intangible assets and intangible assets under development.

4C.2 Expenditure Incurred on various intangible assets under development and status of completion is certified by the management. Details of Intangible assets under development as on 31 March 2021 :

(Amount in ₹)

Particulars	Amount	Expected Date of Completion	Expected Cost
Destination Success	91,92,772	30-Sep-21	31 lacs
Learnflix	61,31,462	31-Dec-21	56 lacs
Total	**1,53,24,234**		**87 Lacs**

4D For covid impact, refer note 35b and 35f

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5. Financial Assets

5A. Trade receivables

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables		
Unsecured, considered good (refer note 5A.1)	7,85,93,364	7,27,34,973
Doubtful	3,94,09,322	2,76,62,722
	11,80,02,686	**10,03,97,696**
Less: Allowance for expected credit loss		
Doubtful (refer note 5A.3)	(3,94,09,322)	(2,76,62,722)
	(3,94,09,322)	**(2,76,62,722)**
Net Trade receivables		
Unsecured, considered good (refer note 5A.4)	7,85,93,364	7,27,34,973
Doubtful	-	-
	7,85,93,364	**7,27,34,973**
Current	**7,85,93,364**	**7,27,34,973**
Non-Current	-	-

5A.1 In absence of confirmations considered good by the Management.

5A.2 No debts are due from directors or other officers of the company either severally or jointly with any other person.

5A.3 Includes Rs 155.80 lacs due from International school. Refer Note 35e regarding impact of extension of credit period due to covid 19.

5A.4 Includes Rs 155.80 lacs pertaining to International Schools under settlement. Management is of the view that it will be able to realise the amount. Refer Note 35b.

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5B. Loans

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits - Non Current	20,26,544	31,88,203
Security deposits - Current	29,85,154	24,81,289
Total Loans and Advances	**50,11,698**	**56,69,492**
Current	**29,85,154**	**24,81,289**
Non-Current	**20,26,544**	**31,88,203**
Unsecured, considered good	50,11,698	56,69,492
Unsecured, considered doubtful	-	-
	50,11,698	**56,69,492**

5C. Cash and cash equivalents

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- In current accounts	12,90,577	12,55,686
Cash in hand	5,28,183	8,17,550
Total Cash and cash equivalents	**18,18,760**	**20,73,236**

6. Inventories

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Stock-in-Trade	1,64,87,860	1,99,62,502
(Inabsence of physical verification, valued and certified by the management)		
Total Inventories	**1,64,87,860**	**1,99,62,502**

6.1 It is certified by the management that the inventory of hardware items worth Rs 26 lacs will get utilised once the schools reopen and these will be sold at a price not less than the value stated or consumed in providing services to the schools in the coming financial year.

6.2 Refer Note 35c regarding utilisation/ disposal of inventory.

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7. Other Assets

7A. Prepaid expenses

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid expenses (Non current)	1,80,912	3,92,551
Prepaid expenses (Current)	5,97,781	7,57,861
Total Prepaid expenses	**7,78,693**	**11,50,412**

7B. Other assets

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Deposit with government authority (refer note 7B.1)	-	11,00,000
Advance Taxes,TDS & Other Receivable		
- TDS (FY18-19)	-	35,80,019
- TDS (FY19-20)	28,60,887	20,16,393
- TDS (FY20-21)	3,08,200	-
- Export Incentive (refer note 7B. 2)	78,54,342	79,47,338
- GST Credit Recoverable	31,23,050	14,87,363
Advance to Suppliers (refer note 7B.3	6,05,684	11,86,884
Advance for Future Services	35,40,000	-
Advance to Employees Imprest	5,70,255	3,65,150
Total Other assets	**1,88,62,418**	**1,76,83,147**
Current	**1,12,97,657**	**1,73,41,008**
Non-Current	**83,43,454**	**14,92,551**

7B.1 Refer Note 23.2 regarding provision of doubtful deposit.

7B.2 In the opinion of management amount is considered good for recovery. Includes Rs 71.95 lacs pertaining to FY 2016-17 to FY 2019-20. Management is of the view that the amount will be recovered in the next financial year, as it has received the required realisation certificate from the Bank for onward submission to DGFT. Export Incentive for FY 2020-21 has been computed on the exports made during the year net off the export trade receivables of Rs 160 lacs pending negotiation. Refer Note 23.1 for amount written off during the year pertaining to FY 2019-20.

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8. Share Capital

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
3,70,00,000 (31 March 2020: 3,70,00,000) equity shares of Rs 10/- each	37,00,00,000	37,00,00,000
Issued, subscribed and fully paid up		
3,47,28,920 (31 March 2020: 3,47,28,920) equity shares of Rs 10/- each	34,72,89,200	34,72,89,200
	34,72,89,200	**34,72,89,200**

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

Equity shares	Numbers	Amount in ₹
Issued, subscribed and fully paid up		
As at 1 April 2019	3,47,28,920	34,72,89,200
Increase/(Decrease) during the period	-	-
As at 31 March 2020	**3,47,28,920**	**34,72,89,200**
Increase/(Decrease) during the period	-	-
As at 31 March 2021	**3,47,28,920**	**34,72,89,200**

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 2021 (Rs.)	31 March 2020 (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

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
<u>Retained earning</u>		
Balance as the Beginning of reporting period	**(51,42,68,094)**	**(45,85,21,864)**
Add: Surplus during the year	(10,91,49,223)	(8,25,40,122)
Add/Less: Equity Component (I) Preference Shares (refer note 9.1)	-	2,66,91,493
Add: Other Comprehensive income	96,329	1,02,399
Add: Other Adjustment	(54)	-
Balance as the end of reporting period (A)	**(62,33,21,043)**	**(51,42,68,094)**
<u>Equity component of preference shares</u>		
Equity component (I Preference shares) (refer note 9.1)	-	-
Equity component (II Preference shares)	16,00,00,000	16,00,00,000
Balance as the end of reporting period (B)	**16,00,00,000**	**16,00,00,000**
Total (A+B)	**(46,33,21,043)**	**(35,42,68,094)**

9.1 Due to Non exercise of the right of option for conversion by the holder of Preference Shares I upto 31st march 2020, the Equity component of the Preference shares I was transferred to Retained Earnings on 31.03.2020. As per the original terms of the said preference shares these have to be mandatorily redeemed upto 31.03.2020. The tenure of redemption of these preference shares have been increased upto March 31, 2023 with the written consent of Safari Digital Initiatives Pvt Ltd. ("Holder") as per section 48 of The Companies Act, 2013. The management informs that after approval of the scheme of merger by the NCLT, these preference shares will stand cancelled. However the amount due to Safari has been shown as Current Borrowings.

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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. The tenure of redemption of these preference shares has been increased upto March 31, 2023 with the written consent of Safari Digital Initiatives Pvt Ltd. ("Holder") as per section 48 of The Companies Act, 2013. 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 right in surplus fund.

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

1% optionally convertible non-cumulative Preference Shares (Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
As per last Balance Sheet	6,17,04,000	6,17,04,000
Changes during the period	-	-
Balance at end of year	6,17,04,000	6,17,04,000

The reconciliation of the number of shares outstanding is set out below: (Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
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	61,70,400	61,70,400

(Amount in ₹)

Name of Shareholders	As at 31 March 2021	As at 31 March 2020
Safari Digital Education Initiatives Private Limited **(100 % shareholding)**	61,70,400	61,70,400
	61,70,400	61,70,400

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 passed on 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 right 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.

(Amount in ₹)

1% optionally convertible non-cumulative Preference Shares	As at 31 March 2021	As at 31 March 2020
As per last Balance Sheet	16,00,00,000	16,00,00,000
Changes during the period	-	-
Balance at end of period	**16,00,00,000**	**16,00,00,000**

The reconciliation of the number of shares outstanding is set out below: (Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
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	**1,60,00,000**	**1,60,00,000**

(Amount in ₹)

Name of Shareholders	As at 31 March 2021	As at 31 March 2020
S Chand And Company Limited **(100 % shareholding)**	1,60,00,000	1,60,00,000
	1,60,00,000	1,60,00,000

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10. Borrowings

10A. Non-current borrowings

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured Loans		
Siemens Financial Services Private Limited (refer note 10A.1)	1,59,92,649	3,00,07,994
Siemens Financial Services Private Limited (ECLGS) (refer note 10A.1)	64,95,000	-
Hewlett Packard Financial Services (India) Private Limited (refer note 10A.1)	30,76,892	23,82,686
Unsecured Loans		
Loan from related party		
- Safari Digital Education Initiatives Private Limited (refer note 10A.2)	6,67,23,364	6,03,31,564
- S Chand And Company Limited (refer note 10B.2)	-	11,19,28,193
- Eurasia Publishing House Private Limited (refer note 10B.3)	-	63,35,517
- Chhaya Prakashani Limited (refer note 10A.3)	16,09,44,272	9,29,91,850
- Nirja Publishers & Printers Private Limited (refer note 10B.4)	-	3,14,39,618
Total Non-current borrowings	**25,32,32,177**	**33,54,17,422**
Less : Current Maturities of long Term Borrowings	**1,53,29,060**	**2,29,25,291**
Non Current Borrowings after deduction of current maturities of long term borrowings	**23,79,03,117**	**31,24,92,131**
Secured Loan	**2,55,64,541**	**3,23,90,680**
Unsecured Loans	**22,76,67,636**	**30,30,26,742**

10A.1 Secured against the movable fixed assets of the Company.

10A.2 Includes Interest Bearing Loan for Rs 5,36,00,000/- (31 March 20 - Rs.5,36,00,000/-) and interest accrued of Rs. 1,31,23,364/- (31 March 20 - Rs 67,31,564/-)

10A.3 Optionally Convertible Loan Rs. 14,35,00,000/- (31 March 20 - Rs. 8,50,00,000/-) and interest accrued Rs.1,74,44,272/- (31 March 20 - Rs.79,91,850/-)

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10B. Current borrowings

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured:		
Cash credit from banks - (refer note 10B.1)		
Standard Chartered Bank	2,86,70,621	2,46,40,356
Unsecured :		
Loans from related parties-		
- S Chand And Company Limited (refer note 10B.2)	12,20,77,980	-
- Eurasia Publishing House Private Limited (refer note 10B.3)	69,07,614	-
- Nirja Publishers & Printers Private Limited (refer note 10B.4)	3,42,78,621	-
- Blackie & Son (Calcutta) Private Limited (refer note 10B.5)	95,69,148	87,76,614
- Safari Digital Education Initiatives Private Limited (Pref. shares) (refer note 9.1)	6,17,04,000	6,17,04,000
Total	**26,32,07,984**	**9,51,20,970**
Secured	**2,86,70,621**	**2,46,40,356**
Unsecured	**23,45,37,363**	**7,04,80,614**

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

10B.2 Optionally Convertible Loan Rs. 9,69,53,450/- (31 March 20 - Rs 9,69,53,450/-) & Interest accrued Rs.2,51,24,530/- (31 March 20 - Rs.1,49,74,743/-)

10B.3 Optionally Convertible Loan Rs. 50,00,000/- (31 March 20 -Rs 50,00,000/-) & Interest accrued Rs. 19,07,614/- (31 March 20 Rs.13,35,517/-)

10B.4 Optionally Convertible Loan Rs. 2,50,00,000/- (31 March 20 -Rs 2,50,00,000/-) & Interest accrued Rs.92,78,621/- (31 March 20 - Rs.64,39,618/-)

10B.5 Optionally Convertible Loan Rs. 65,00,000/- (31 March 20 - Rs 65,00,000/-) & Interest accrued Rs.30,69,148/- (31 March 20 - Rs.22,76,614/-)

11. Trade payables

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises	59,21,989	70,56,349
Total outstanding dues of related entities	7,00,99,575	6,53,92,345
Total outstanding dues of creditors other than micro enterrprises & small enterprises	2,88,51,488	2,72,03,053
Total Trade payables	**10,48,73,052**	**9,96,51,747**
Current	**10,48,73,052**	**9,96,51,747**
Non-Current	-	-

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

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12 Other financial liabilities

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Expenses Payables (refer note 12.1)	58,50,541	71,34,948
Employee salary Payable	4,84,796	10,80,816
Current maturities of long-term Borrowings	1,53,29,060	2,29,25,291
Other financial liabilities (Employees Dues)	26,91,987	30,20,038
Total other financial liabilities	**2,43,56,383**	**3,41,61,093**
Current	**2,43,56,383**	**3,41,61,093**
Non current	-	-

12.1 Refer Note 17.3 regarding amount written back of Rs 29.46 lacs.

13 Lease Liability

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Lease Liability (Current)	41,72,616	42,33,313
Lease Liability (Non-Current)	38,16,701	1,08,56,060
(In respect of premises taken on lease)		
Total Lease Liability	**79,89,317**	**1,50,89,373**
Current	**41,72,616**	**42,33,313**
Non current	**38,16,701**	**1,08,56,060**

13.1 lease liability reduced by Rs 32.41 lacs due to partial vacancy of leased premises . Also refer note 17.2

14 Provisions

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for retirement benefits		
- Gratuity	28,35,188	26,60,936
- Leave Encashment	17,50,786	20,79,895
Total Provisions	**45,85,974**	**47,40,831**
Current		
- Gratuity	**3,86,722**	**3,17,683**
- Leave Encashment	**2,65,968**	**3,27,494**
Non current		
- Gratuity	**24,48,466**	**23,43,253**
- Leave Encashment	**14,84,818**	**17,52,401**

14.1 Refer Note 27

15 Other liabilities

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Other payables:		
Statutory dues	17,57,209	15,85,862
Advance from customers (as certified by management)	5,92,634	53,17,105
Total Other liabilities	**23,49,843**	**69,02,967**
Current	**23,49,843**	**69,02,967**
Non current		

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16. Revenue From Operations

(Amount in ₹)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products		
Finished goods	38,46,187	64,14,986
Sale of services (refer note 16.1)	7,85,27,333	15,14,57,025
Other Operating Revenues		
Export Incentive (refer note 16.3)	6,59,167	23,30,808
Total revenue from operations	**8,30,32,687**	**16,02,02,819**
Detail of sale of services		
Domestic		
Customized Interactive Education Services (refer note 16.2)	3,93,37,472	8,41,52,599
Income From Pre School Educational Activity (refer note 16.4)	18,79,823	1,14,81,170
Learnflix Ebooks	81,25,633	92,07,096
Export		
Customised Interactive Education Services	2,91,84,405	4,66,16,160
	7,85,27,333	**15,14,57,025**

16.1 Includes Rs 9.31 Lacs [31 March 20 - Rs. 32.70 Lacs) pertaining to the next financial year (refer accounting policy Note No 2).

16.2 Refer Note 35e regarding one time deferment of Income.

16.3 Refer Note 7B.2.

16.4 Refer Note 35h regarding fall in revenue.

16.5 The Company raised the Invoice of Indian International School and Indian High School Dubai for the month of June 2020 of Rs 160 lacs. It raised the invoice of Rs 156.51 lacs in Dec 2020 and reversed the same on account of non recovery of old outstanding of Dec 2019 and June 2020. The company is in process of negotiating a settlement with the customer . However, considering the pandemic and difficulty the school is facing, the company has made a provision for Rs 156 Lacs of the outstanding of Rs 311 Lacs (In respect of Invoice raised for June 2020 and Dec 2019).

17. Other Incomes

(Amount in ₹)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Foreign Exchange Rate Difference	-	12,27,215
Interest on Income Tax Refund	2,50,257	1,60,137
Provision reversed on account of Actual Bad Debt	93,51,099	2,42,77,396
Fair Value Gain on Security Deposit	5,29,175	4,68,205
Other Income (refer note 17.1, 17.2 and 17.3)	54,95,219	4,63,553
Total other income	**1,56,25,751**	**2,65,96,506**

17.1 Includes Rs 7.74 lacs on account of reduction of principal portion of lease liability due to invokation of force majure clause in respect of premises taken on lease as per IND AS 116. Also refer note 35g.

17.2 In Pursuance of change in agreement of lease on account of partial vaccancy of tenented premises, Right of Use and Lease Liability have been reworked as per IND AS 116 resulting in increase of income of Rs 10 Lacs (31 March 20 - NIL).

17.3 Includes Rs 29.47 Lacs representing liabilities no loger required and written back.

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18. Purchase & implementation cost

(Amount in ₹)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Computer & Peripherals	9,64,760	65,27,610
E Books	-	1,68,64,451
English Labs (Kit)	-	1,06,200
Total Purchase & implementation cost	**9,64,760**	**2,34,98,261**

19. (Increase)/Decrease in Inventories

(Amount in ₹)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the beginning of the year		
Trade Items	1,99,62,502	42,44,080
Inventories at the end of the year		
Trade Items	1,64,87,860	1,99,62,502
(Increase)/decrease in inventories	**34,74,642**	**(1,57,18,422)**

20. Employee Benefits Expenses

(Amount in ₹)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, Wages, Allowances	2,02,98,227	2,72,18,552
Provident Fund & ESI	15,61,158	23,37,155
Staff Welfare and Medical Insurance	71,049	10,64,763
Gratuity	7,37,876	8,74,231
Leave encashment	65,242	71,771
Bonus and Exgratia	7,40,881	4,86,301
Other Benefits to Staff	18,75,248	28,67,929
Total employee benefits expenses	**2,53,49,681**	**3,49,20,702**

21. Selling and Distribution Expenses

(Amount in ₹)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Advertisement and conference expenses	35,47,070	20,99,186
Travelling and boarding expenses	23,93,726	97,81,773
Freight, cartrage and installation expenses	4,50,327	13,54,740
Marketing & Channel expenses	2,40,317	9,14,977
Business promotion	2,16,550	2,04,874
Total selling and distribution expenses	**68,47,990**	**1,43,55,550**

22. Finance Cost

(Amount in ₹)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest Expense		
Interest on Term Loan	36,61,281	50,12,498
Interest on loan from Related Parties	3,22,21,570	2,63,18,330
Interest on Cash Credit	29,85,634	50,36,580
Interest on Lease Liability (ROU) (refer note 22.1)	10,14,203	18,57,058
Interest - Others	49,236	32,39,023
Fair Value Loss on Preference Shares	-	66,11,140
Bank Charges	36,968	4,27,836
Total finance cost	**3,99,68,892**	**4,85,02,465**

22.1 Rs 3,16,144/ is reduced on account of interest portion of lease liability due to invokation of force majure clause in respect of premises taken on lease as per IND AS 116. Also refer note 35 g.

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23. Other Expenses

(Amount in ₹)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Office Expense	5,37,050	26,49,181
Professional /Consultancy charges	1,90,25,117	1,07,56,604
Conveyance Expenses	2,44,288	3,54,587
Electricity & Genset Expenses	9,27,418	13,97,877
Repair & Maintenance	48,09,716	93,40,351
Office Stationery	1,04,520	1,58,658
Telephone	3,08,243	3,14,470
Rent expenses	4,29,112	23,85,007
Auditor's Remuneration (refer note 23.4)	3,50,000	3,50,000
Amount written off (refer note 23.1)	9,23,519	36,47,356
Provision on Doubtful Deposit (refer note 23.2)	11,00,000	-
Provision against Advance	1,49,018	-
Insurance Expenses	2,03,474	1,45,938
Rates & Taxes	1,00,990	55,77,834
Bad Debts Written Off	93,51,099	2,42,77,397
School Van Running Expense	-	13,29,962
Provision for Expected Credit Loss (refer note 23.4)	2,10,97,699	1,56,23,308
Fair Value Loss on Security Deposit	4,95,742	5,13,400
Fixed Assets written off	16,67,131	2,86,549
Loss on Sale of Fixed Assets	236	41,867
Foreign Exchange Rate Difference	10,91,838	-
Miscellaneous Expenses (refer note 23.3)	70,08,082	87,84,708
Total other expenses	**6,99,24,292**	**8,79,35,054**

23.1 Includes Export Incentive (FY19-20) amounting Rs 7.52 lacs (31 March 20 - Nil), Non Transferable Duty Credit Scrips amounting Rs Nil (31 March 20 - Rs. 34.63 lacs), amounts written off Rs 1.71 lacs (31 March 20 - Rs 1.84 Lacs) on account of old recoverable balances from Employees.

23.2 Includes Provision on Deposit with UP VAT Authorities amounting to Rs 11 lacs (31 March 20 - Nil).

23.3 Includes security charges Rs. 8.19 lacs (31 March 20 - Rs.9.27 lacs), courier charges Rs 1.64 lacs (31 March 20 - Rs. 3.57 lacs), computer expenses 12.41 lacs (31 March 20 - Rs 6.71 lacs), shared management services as certified by management to holding company is Rs 31.05 lacs (31 March 20 - Rs 41.68 lacs), educational services Rs 10.18 lacs (31 March 20 - 23.24 lacs), Learnflix App Maintenance charges of Rs 4.03 lacs (31 March 20 - Nil).

23.4 Refer Note 35e regarding lesser provision made on account of extended credit period given to the schools on account of COVID Pandemic.

23.5 Payment to auditor

(Amount in ₹)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor		
For Audit	3,50,000	3,50,000
	3,50,000	**3,50,000**

24. Depreciation and Amortisation Expenses

(Amount in ₹)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant & equipement	2,89,51,496	2,95,05,444
Amortisation of intangible assets	3,52,88,223	3,62,07,022
Amortisation of Right-of-use asset	43,98,247	47,66,940
Total depreciation and amortisation expneses	**6,86,37,966**	**7,04,79,406**

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25. Components of Other Comprehensive Income (OCI)

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

(Amount in ₹)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Re-measurment gains/(losses) on defined benefit plans	1,30,174	1,38,377
Tax impact on re-measurement gains/(losses) on defined benefit plans	(33,845)	(35,978)
	96,329	**1,02,399**

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

(Amount in ₹)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net Loss after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	(10,91,49,223)	(8,25,40,122)
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	(3.14)	(2.38)
Diluted Earnings per share	(3.14)	(2.38)

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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Notes to financial statement for the year ended 31 March 2021

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 employement, 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	2020-21	2019-20
I	**Change in present value of defined benefit obligation during the year**		
	Defined Benefit Obligation as of Prior Year	26,60,936	30,87,904
	Service Cost : -		
	Current service cost	5,80,244	6,66,924
	Past service cost		
	Interest Cost	1,57,632	2,07,307
	Benefit payments directly by employer	(4,33,450)	(11,62,822)
	Actuarial (Gain) / Loss - Demographic	-	(204)
	Actuarial (Gain) / Loss - Financial	25,131	2,62,475
	Actuarial (Gain) / Loss - Experience	(1,55,304)	(4,00,648)
	Defined Benefit Obligation at the end of Current Year	**28,35,188**	**26,60,936**
II	**Change in fair value of plan assets during the year**		
	There is no plan assets		
III	**Net asset/ (liability) recognised in the balance sheet**		
	Net defined benefit liability (asset) at prior year end	26,60,936	30,87,904
	Defined benefit cost included in P&L	7,37,876	8,74,231
	Total remeasurements included in OCI	(1,30,174)	(1,38,377)
	Direct benefit payments by Employer	(4,33,450)	(11,62,822)
	Net defined benefit liability (asset) - end of period	**28,35,188**	**26,60,936**
IV	**Expense recognised in the statement of profit or loss during the year**		
	Service cost	5,80,244	6,66,924
	Net interest cost	1,57,632	2,07,307
	Total expense recognised in the employee benefit expense	**7,37,876**	**8,74,231**
V	**Recognised in other comprehensive income for the year**		
	Cumulative OCI - (Income)/Loss, Beginning of Period	(8,96,519)	(7,58,142)
	Total remeasurements included in OCI	(1,30,174)	(1,38,377)
	Cumulative OCI - (Income)/Loss, End of Period	(10,26,693)	(8,96,519)
VI	**Maturity profile of defined benefit obligation**		
	Year 1	3,86,722	3,17,683
	Year 2	3,48,300	3,27,458
	Year 3	3,27,489	3,19,346
	Year 4	3,13,200	3,01,599
	Year 5	3,45,895	2,86,371
	Year 6 to 10	11,16,080	11,38,398

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 occuring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

	Particulars	2020-21	2019-20
VII	**Quantitative senstivity analysis for significant assumptions is as below**		
	a) Impact of change in discount rate		
	Present Value of obligation at the end of the period		
	Discount rate - 100 basis points	30,14,403	28,32,594
	Discount rate + 100 basis points	26,75,427	25,07,986
	Impact of change		
	Discount rate - 100 basis points	(1,79,215)	(1,71,658)
	Discount rate + 100 basis points	1,59,761	1,52,950
	b) Impact of change in salary		
	Present Value of obligation at the end of the period		
	Rate - 100 basis points	26,86,107	25,27,008
	Rate + 100 basis points	29,94,638	28,04,885
	Impact of change		
	Discount rate - 100 basis points	1,49,081	1,33,928
	Discount rate + 100 basis points	-1,59,450	-1,43,949
VIII	**Actuarial assumptions**		
	Discount Rate	6.15%	6.30%
	Future salary increase	6.00%	0.00%
	Future salary increase (Second Year)	8.00%	6.00%
	Future salary increase (Third Year Onwards)	8.00%	8.00%
	Retirement Age (years)	60 Years	60 Years
	Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)
	Withdrawl rate	15%	15%

The actuarial valuation of the present valuation of defined benefit obligation were carried out as at March 31, 2021. 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.

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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	2020-21	2019-20
I	**Change in present value of defined benefit obligation during the year**		
	Defined Benefit Obligation as of Prior Year	20,79,895	28,46,111
	Service Cost : -		
	Current service cost	-	6,85,795
	(Gain)/Loss on curtailments	-	(6,85,795)
	Interest Cost	1,20,717	1,85,302
	Benefit payments directly by employer	(3,94,351)	(8,37,987)
	Actuarial (Gain) / Loss - Demographic	-	(128)
	Actuarial (Gain) / Loss - Financial	15,098	1,96,127
	Actuarial (Gain) / Loss - Experience	(70,573)	(3,09,530)
	Defined Benefit Obligation at the end of Current Year	**17,50,786**	**20,79,895**
II	**Change in fair value of plan assets during the year**	-	-
	There is no plan assets		
III	**Net asset/ (liability) recognised in the balance sheet**		
	Net defined benefit liability (asset) at prior year end	20,79,895	28,46,111
	Defined benefit cost included in P&L	65,242	71,771
	Total remeasurements included in OCI	-	-
	Direct benefit payments by Employer	(3,94,351)	(8,37,987)
	Net defined benefit liability (asset) - end of period	**17,50,786**	**28,46,111**
IV	**Expense recognised in the statement of profit or loss during the year**		
	Service cost	-	-
	Net interest cost	1,20,717	1,85,302
	Immediate recognition of loss	(55,475)	(1,13,531)
	Total expense recognised in the employee benefit expense	**65,242**	**71,771**
V	**Recognised in other comprehensive income for the year**		
	Cumulative OCI - (Income)/Loss, Beginning of Period	-	-
	Total remeasurements included in OCI	-	-
	Cumulative OCI - (Income)/Loss, End of Period	-	-
VI	**Maturity profile of defined benefit obligation**		
	Year 1	2,65,968	3,27,494
	Year 2	2,25,713	2,69,024
	Year 3	2,06,971	2,46,687
	Year 4	1,89,773	2,26,188
	Year 5	2,12,940	2,07,376
	Year 6 to 10	6,47,005	8,31,355
VII	**Quantitative senstivity analysis for significant assumptions is as below**		
	a) Impact of change in discount rate		
	Present Value of obligation at the end of the period		
	Discount rate - 100 basis points	18,58,419	22,06,548
	Discount rate + 100 basis points	16,54,787	19,66,977
	Impact of change		
	Discount rate - 100 basis points	(1,07,633)	(1,26,653)
	Discount rate + 100 basis points	95,999	1,12,918
	b) Impact of change in salary		
	Present Value of obligation at the end of the period		
	Rate - 100 basis points	16,55,352	19,76,424
	Rate + 100 basis points	18,55,577	21,93,554
	Impact of change		
	Discount rate - 100 basis points	95,434	1,03,471
	Discount rate + 100 basis points	(1,04,791)	(1,13,659)
VIII	**Actuarial assumptions**		
	Discount Rate	6.30%	6.30%
	Future salary increase (For First Year)	6.00%	0.00%
	Future salary increase (For Second Year)	8.00%	6.00%
	Future salary increase (Third Year Onwards)	8.00%	8.00%
	Retirement Age (years)	60 Years	60 Years
	Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)
	Withdrawl rate	15%	15%

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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:

(Amount in ₹)

Particulars		For the year ended 31 March, 2021			
		As at 31 March, 2020	Recognised in		As at 31st March, 2021
			Profit & Loss	OCI	
Tax effect of items constituting Deferred Tax Liabilities					
Property, plant and equipment		(3,35,53,271)	61,95,015	-	(2,73,58,255)
	(A)	**(3,35,53,271)**	**61,95,015**	-	**(2,73,58,255)**
Tax effect of items constituting Deferred Tax Assets					
Carried Forward Losses		2,88,86,571	(1,02,85,000)	-	1,86,01,571
Unabsorbed Depreciation		12,52,60,310	1,04,91,110	-	13,57,51,420
Provisions		1,23,48,160	9,77,019	(33,845)	1,32,91,334
	(B)	**16,64,95,042**	**11,83,128**	**(33,845)**	**16,76,44,325**
Deferred Tax Assets (Net)		**13,29,41,771**	**73,78,144**	**(33,845)**	**14,02,86,070**

Particulars		For the year ended 31 March, 2020			
		As at 31 March, 2019	Recognised in		As at 31 March, 2020
			Profit & Loss	OCI	
Tax effect of items constituting Deferred Tax Liabilities					
Property, plant and equipment		(3,06,60,736)	(28,92,535)	-	(3,35,53,271)
	(A)	**(3,06,60,736)**	**(28,92,535)**	-	**(3,35,53,271)**
Tax effect of items constituting Deferred Tax Assets					
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)	**16,90,04,916**	**(24,73,896)**	**(35,978)**	**16,64,95,042**
Deferred Tax Assets (Net)		**13,83,44,180**	**(53,66,431)**	**(35,978)**	**13,29,41,771**

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 & Sons (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. The final hearing before the NCLT was on April 16, 2021 but to lack of time with the NCLT, the matter could not be heard. After that due to prevailing novel corona virus lockdown has been imposed in Delhi by the Government of Delhi. The next date of hearing before the NCLT is on August 09, 2021.

28A.2 The Company has accounted for deferred tax assets on the Carry forward losses, Unabsorbed Depreciation on the ground that scheme of merger would be effective w.e.f. 01.04.2017. During the year Rs 73.44 Lacs has been accounted for Deferred Tax Income by reversing the deferred tax assets of Rs. 30.68 Lacs on account of non-probabilities of earning Future taxable Profits relating to non merging business.

28A.3 DTA has been computed without considering the disallowance of loss of Rs 1,44,54,233 made by the National E Assessment centre for the AY 2018-19 as the assessee has filed an appeal aginst the same and is hopeful that the disallowance will be knocked off in the first appeal

28B Tax Expenses

(Amount in ₹)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Income Tax charged or credited to Staement of profit and Loss during the year		
In Statement of Profit and Loss		
Current Tax		
- Adjustment of tax relating to earlier period/year	17,582	-
- Pertaining to profit for the current period/year	-	-
Deferred Tax Credit	(73,78,144)	53,66,431
In Other Comprerhensive Income		
Deferred Tax Credit	33,845	35,978
Total	**(73,26,717)**	**54,02,409**
(b) Reconciliation of tax expenses		
Accounting Loss before tax	(11,65,09,785)	(7,71,73,691)
Applicable Tax Rate	26.00%	26.00%
Computed Tax Expense	(3,02,92,544)	(2,00,65,160)
Tax effect of :		
Tax impact on lapsed B/F Losses	1,88,49,201	1,48,11,377
Tax impact on Raise Centre Losses (not accounted for)/ others	30,68,129	90,88,198
Others	10,48,497	15,67,994
Tax Expenses recognised in Statement of Profit and Loss	**(73,26,717)**	**54,02,410**

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29 **Related Party Disclosure**

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

a) Related parties and their relationship

1)	Holding Company	-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 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, Director - Mr. Dinesh Kumar Jhunjhnuwala, Director - Mr. Manish Kumar Goyal, Company Secretary - Mr. Rajagopalan Chandrashekar, Independent Director - Mr. Arvind Srivastava, Chief Financial Officer - Mr. Sharad Talwar, Independent Director - Mr. Naveen Kundu, CEO (Resigned w.e.f. 30.09.2019)

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Notes to financial statement for the period ended 31st March 2021

Nature of Transactions	Holding Company		Associates		Key Managerial Personnel & their relatives		Companies under Same Management		Directors Substantial Shareholdings		TOTAL	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Loans and Advances Received												
S Chand And Company Limited	-	2,93,00,000									-	2,93,00,000
Chhaya Prakashani Limited							5,85,00,000	3,50,00,000			5,85,00,000	3,50,00,000
Repayment of Loans and Advances received												
S Chand And Company Limited	-	72,00,000									-	72,00,000
Reimbursement of Expenses												
Safari Digital Education Initiatives Private Limited							7,95,139	-			7,95,139	-
Chhaya Prakashani Limited							35,40,000	-			35,40,000	-
Shared management Services												
S Chand And Company Limited	60,99,261	79,75,238									60,99,261	79,75,238
Purchase of Product/Services												
S Chand And Company Limited	-	1,09,50,451									-	1,09,50,451
Hotel Tourist									1,30,101	54,380	1,30,101	54,380
SC Hotel Tourist Deluxe Private Limited									-	5,300	-	5,300
Safari Digital Education Initiatives Private Limited							1,77,07,531	73,56,092			1,77,07,531	73,56,092
Edutor Technologies India Private Limited							-	83,00,000			-	83,00,000
Vikas Publishing House Private Limited							-	8,17,110			-	8,17,110
New Saraswati House (India) Private Limited							-	50,96,890			-	50,96,890
Salary, Perks and Allowances												
Naveen Kundu					-	19,82,130					-	19,82,130
Rajgopalan Chandrashekhar					1,00,000	1,25,000					1,00,000	1,25,000
Sharad Talwar					2,25,000	1,00,000					2,25,000	1,00,000
Interest Expense												
Safari Digital Education Initiatives Private Limited							64,32,000	64,32,000			64,32,000	64,32,000
Eurasia Publishing House Private Limited							6,19,838	6,23,142			6,19,838	6,23,142
Blackie & Son (Calcutta) Private Limited							8,58,642	8,63,391			8,58,642	8,63,391
Nirja Publishers & Printers Private Limited							30,75,923	31,15,071			30,75,923	31,15,071
S Chand And Company Limited	1,09,97,064	85,00,592									1,09,97,064	85,00,592
Chhaya Prakashani Limited							1,02,38,103	67,84,135			1,02,38,103	67,84,135
Other Expenses												
Edutor Technologies India Private Limited							14,47,215	33,600			14,47,215	33,600
Vikas Publishing House Private Limited							77,150	23,600			77,150	23,600
Short Term Borrowings as at 31st March 2021												
S Chand And Company Limited	12,20,77,980	-									12,20,77,980	-
Eurasia Publishing House Private Limited							69,07,614	-			69,07,614	-
Nirja Publishers & Printers Private Limited							3,42,78,621	-			3,42,78,621	-
Blackie & Son (Calcutta) Private Limited							95,69,148	87,76,614			95,69,148	87,76,614
Safari Digital Education Initiatives Private Limited							6,17,04,000	6,17,04,000			6,17,04,000	6,17,04,000
Long Term Borrowings as at 31st March 2021												
Safari Digital Education Initiatives Private Limited							6,67,23,364	6,03,31,564			6,67,23,364	6,03,31,564
S Chand And Company Limited	-	11,19,28,193									-	11,19,28,193
Eurasia Publishing House Private Limited							-	63,35,517			-	63,35,517
Chhaya Prakashani Limited							16,09,44,272	9,29,91,850			16,09,44,272	9,29,91,850
Nirja Publishers & Printers Private Limited							-	3,14,39,618			-	3,14,39,618
Trade Payables as at 31st March 2021												
S Chand And Company Limited	5,49,22,326	4,81,82,644									5,49,22,326	4,81,82,644
Hotel Tourist									-	53,197	-	53,197
SC Hotel Tourist Deluxe Private Limited									5,300	5,300	5,300	5,300
Safari Digital Education Initiatives Private Limited							45,76,067	72,15,000			45,76,067	72,15,000
Vikas Publishing House Private Limited							-	8,81,566			-	8,81,566
Edutor Technologies India Private Limited							10,82,797	30,81,553			10,82,797	30,81,553
New Saraswati House (India) Private Limited							59,73,085	59,73,085			59,73,085	59,73,085
Chhaya Prakashani Limited							35,40,000	-			35,40,000	-

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

30 **Contingent Liabilities**

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Claims against the Company not acknowledged as		
1. VAT claim by U. P. VAT Act.	27,50,000	27,50,000
2. Contractual Obligations	-	-
	27,50,000	27,50,000

30.1 A demand of Rs 7,31,84,804 has been made for AY 2018-19 by the National E Assessment Centre in respect of Various additions made in the order framed under section 143(3) read with section 43(3A) and 43(3B) of the Income Tax Act 1961. Assessee has filed an appeal before the National Faceless Appeal Centre and is hopeful that the demand will be cancelled.

31 **Unhedged foreign currency exposure : -**

Particulars	31 March 2021			31 March 2020		
Trade receivables: -	(Amount in ₹)			(Amount in ₹)		
Qatari Riyal	35,33,250	QAR 1,75,000	20.71/- per QAR	10,35,500	QAR 50,000	20.71/- per QAR
UAE Dirhams	3,55,57,690	AED 17,76,996	20.01/- per AED	1,96,79,769	AED 9,58,586	20.53/- per AED
Omani Rial	14,52,127	OMR 7,596	191.17/- per OMR	56,465	OMR 288	196.06/- per OMR
US Dollars	4,77,750	USD 6 500	73.50/- per USD			
Total	**4,10,20,818**			**2,07,15,269**		

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

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 fi nancial 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 1 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 2021	Fair Value Level III
Financial assets at amortised cost		
Trade receivables	7,85,93,364	7,27,34,973
Cash and Bank balances	18,18,760	20,73,236
Loans	50,11,698	56,69,492
Total	**8,54,23,822**	**8,04,77,700**
Financial liabilities at amortised cost		
Borrowings	50,11,11,101	45,57,95,749
Trade payables	10,48,73,052	5,14,69,103
Other financial liabilities	2,43,56,383	3,41,61,094
Total	**63,03,40,536**	**54,14,25,946**

33 **Additional information**

	31 March 2021 (Amount in ₹)	31 March 2020 (Amount in ₹)
Earnings in foreign exchange:		
A. Export of goods /Services	2,91,84,405	4,66,16,160
	2,91,84,405	**4,66,16,160**
Expenditure in foreign currency		
A. Traveling	-	16,89,218
B. Marketing/Branding & Commission	-	-
	-	**16,89,218**

34 COVID Disclosures

a) The outbreak of Coronavirus (COVID-19) pandemic globally has caused a slowdown in economic activity including India. This event has significantly effected economic activities and the impact of coronavirus on our business will depend on future developments that cannot be reliably predicted. Post the outbreak, the premises of the Company remained closed from March 22, 2020, up to May 08, 2020, and thereafter operations commenced in a phased manner as per the directives from the government. The Second wave in April 2021 has further caused Statewise Lockdowns from 17th April 2021 which continue and are being opened in a phased manner, with proper protocols as per MHA guidelines.

b) In developing the assumptions relating to possible uncertainties in the business conditions because of the pandemic, the Company, as on the date of approval of these financials results have used variable information as available and considered the possible effects that may result from COVID-19 on the carrying amount of its assets i.e. assessing counterparty credit risk in case of financial assets (comprising cash and cash equivalents and bank deposits) and subsequent recoveries, past trends, credit risks profile of customers in case of trade receivables and advances to vendors. The company expects to recover the carrying amount of the assets . The Company while assessing Right to Use Asset , Intangible Assets and Assets deployed at Schools , has considered past trend, future business projections, performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of assets will be recovered and does not foresee either significant down-sizing in the operations or any changes in lease terms.

V. P. Jain & Associates Chartered Accountants New Delhi

DS Digital Private Limited New Delhi

DS DIGITAL PRIVATE LIMITED
CIN: U72200DL2008PTC173250
Notes to financial statement for the year ended 31 March 2021

c) As at the balance sheet date, the Company has evaluated the impact of COVID 19 on its financial results The impact of COVID 19 may differ from that estimated as at the date of approval of these financial statements. The management has assessed the impact of the closure of all educational institutions during the past 15 months and schools which form the main customer base for the Company. There is a fall in the revenue from operations to the extent of 48% as compared to previous Financial year. Customers continue to show a need for the solution even though the teaching learning process has gone in the online mode. The Management of the Company has assessed that the Revenue from the Interactive Learning Solutions , Pre School and Learnflix App will grow in subsequent periods as educational institutions begin operations in Blended format. The Learning App and online access to schools has been provided to some schools to enable thier students access and use content online. The Inventories held (tablets and consumables) include Rs 26.08 lacs and ebook Licenses of Rs 138.79 lacs) will be utilised/supplied in the forth coming periods as new customes are signed and old ones renewed. Hence the management is of the view that there is no reason to impair the investment made in creation of the content (intangible assets) and inventories held.

d) There have been no material changes in the controls or processes followed in the financial statements closing process of the company. The company will continue to monitor any future changes to the business and financial statements due to COVID-19

e) The Company has availed loan of Rs 64.95 lakhs from the NBFC in pursuance of Emergency Credit Line Gurantee Scheme launched by the Govt. Of India,the repayment of which will commence from November 2021. The management, based on its current and future business plans, after considering COVID 19 impact, has assessed that the Company's ability to meet its contractual obligations and liabilities that fall due in near future including repayment of the debts taken from banks / non banking financial companies and their related covenants, is dependent upon timely realization of debtors collections The company has not raiseed Invoices and accounted for Customised Interactive Content Income of Rs 40.52 lakhs due to one time defferment given to the schools which were closed, The same will be accounted on as and when schools open and confirm payment for the same. Due to one time Extension of credit period given to schools for a further peiod of 180 days given to the trade receivables on account of Covid Pandemic 19 the provision for expected credit loss is made at reduced figure of Rs 211lakhs instaed of Rs 362 Lacs The management has assessed that it will be able to realize the collections albiet with some delays despite COVID 19 challenges else would be able to arrange adequate funding from the Holding Company , if required, to ensure continuity of operations.

f) The Company as part of its policy performs physical verification of Fixed Assets every year. For the full year since March 2020 and as at March 31, 2021, on account of COVID-19 restrictions on Schools reopening , the management could not perform physical verification of fixed assets to the date of approval of these financial statements. The management has, therefore, relied upon the Fixed Assets reflected in its books of accounts. The management intends to complete the physical verification process in the subsequent quarters, subject to opening up of restrictions , and doesn't expect any significant impact which could arise on completion of this process

g) Lease liability of Rs 10.91 lakhs (interest Rs 3.16 lakhs and Principal of Rs 7.75 lakhs) has not been paid in respect of the premises taken on lease as the Company invoked force majeure clause due to Covid -19 Pandemic . Accordingly finance cost has been reduced by Rs 3.16 lakhs and other income has been increased by Rs 7.75 lakhs resulting in the reduction of loss of Rs 10.91 lakhs as per IND AS 116.

h) Due to Covid 19 Pandemic the income from learning Centres has substantially reduced at Rs 18.79 lakhs against the expected revenue of Rs 92.42 lakhs.

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

For V. P. Jain & Associates
Chartered Accountants

Sarthak

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

Place : New Delhi
Date : 14.06.2021

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

Himanshu Gupta
Director
DIN:00054015

Dinesh Kumar Jhunjhnuwala
Director
DIN : 00282988

Arvind Srivastava
Chief Financial Officer

Manish Kumar Goyal
Company Secretary
Mem. No. A36926

V. P. Jain & Associates Chartered Accountants FRN New Delhi

DS Digital Private Limited New Delhi