

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

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, 2023, 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, 2023, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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



Key Audit Matters

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

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, etc. 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. The information included in the Annual report i.e. Directors Report including Annexures to Board's Report, etc. is expected to be made available to us after the date of this auditor's report and therefore we will report on any material inconsistency, if any, on receipt of the Annual Report in accordance with prescribed standard of auditing.

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 scepticism throughout the audit. We also:

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



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

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

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

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

Report on Other Legal and Regulatory Requirements

1 As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 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 the requirements of section 197(16) of the Act, as amended:

Company has not paid any remuneration to the directors of the company during the year under audit. Therefore, requirement of reporting under section 197(16) of the Act are not applicable.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

iv (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year and therefore the requirement of compliance of Sec 123 of the Act are not applicable

- 2 As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For V. P. Jain & Associates

Chartered Accountants

Firm's registration number: 015260N

Sarthak
Sarthak Madaan

Partner

Membership number: 547131

Place: New Delhi

Date: 10.05.2023

UDIN: 23547131B6YXEM8750



Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A). The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
 - (B). The company is maintaining proper records showing particulars of intangible assets.
 - (b) The Company has a programme of verification of Property, Plant and Equipment to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the said programme, certain items of Property, Plant and Equipment as at 31.03.2023 in respect of 11 schools and other Locations were physically verified by the management during the year. It is informed that the reconciliation of the physical verification of the assets with the books of accounts is in progress and adjustment entries if any shall be passed in the coming financial year. Management doesn't expect any significant discrepancies between the physical verification count and the financial records.
 - (c) Company does not have any immovable property and therefore requirements of title deeds as per para 3(i)(c) of the order are not applicable.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.
 - (e) On the basis of the information's and explanations given to us and examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.



- (ii) (a) The inventories were physically verified at the close of the year by the Management. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, Limited liability partnership or any other parties during the year.
- a) The Company has not made any investments, provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- b) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, Limited liability partnership, hence reporting requirement regarding the terms and conditions of the same during the year are not applicable under clause 3(iii)(b) of the Order.
- c) No Loans have been granted by the company during the year and hence reporting under the clause 3(iii)(c) regarding schedule of repayment of principle and payment of interest is not applicable.
- d) In view of no Loan granted by the company during the year reporting under the clause 3(iii)(d) with regard to overdue amount is not applicable.
- e) In view of no loan granted by the Company during the year reporting under the clause 3(iii)(e) with regard to extension or renewal of any loan is not applicable.
- f) In view of no loans and advances granted during the year without repayment schedule or repayable on demand, the requirement of reporting regarding the terms, repayment of loan and details of loans to promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013 under this clause is not applicable.



- (iv) Since, no loan and investments have been made during the year, hence reporting requirement under clause 3(iv) regarding compliance u/s 185 and 186 is not applicable.
- (v) The Company has not accepted any deposit during the year. There are no amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable. It is also confirmed by the company that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) Requirement of maintenance of cost records are not applicable to the company as the company is not a manufacturing entity and hence reporting under the clause 3(vi) is not applicable.
- (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 Goods and Service Tax provident fund, income tax, 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 31.03.2023 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 disputed amounts as mentioned in sub clause (a) above which have not been deposited as at 31.03.2023 except as follows :

Sl No.	Name of Statute	Nature of Dues	Amount Rs Million	Forum where dispute is pending.
1	Income Tax Act 1961	Demand u/s 143(3) read with sec 143(3A) and sec 143(3B) for AY 2018-19 created by National E Assessment centre	73.18	Assesse has filed first appeal before the National Faceless Appeal Centre
2	Income Tax Act 1961	Demand u/s 143(3) read with sec 143(3A) and sec 143(3B) for AY 2020-21 created by	79.31	Assesse has filed first appeal before the National Faceless Appeal Centre



		National Assessment centre	E		
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- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)
- (ix) a) The Company has not defaulted in the repayment of the Loans and interest thereon to any lender. During the year, Loans of Rs 530 Million (including accrued interest) taken from related parties have been renewed before the due date for a period of one year. The Accrued interest of Rs 50.70 Million is capitalised in the principle amount on yearly basis.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
- c) According to the information and explanations given to us, Company has applied the term loans for the purposes for which the same had been obtained.
- d) The long term sources of funds comprising of share capital, reserves & surplus (Negative) and long term loans are significantly less than the long term application of funds including intangible assets. Similarly the current ratio is also significantly less. The company is suffering losses and is likely to be merged ultimately with its parent company. The loans taken in earlier years from the related parties have been rescheduled for a period of one year and hence classified as short term borrowings, partially utilised for funding the losses. Thus company has not utilized the short term funds for long term purposes.
- e) The Company doesn't have any subsidiaries, hence reporting under this clause regarding utilisation of borrowings for meeting the obligations of subsidiary is not applicable.
- g) The Company doesn't have any subsidiaries, hence reporting under this clause regarding raising of loans on the pledge of the investments made in subsidiaries is not applicable
- (x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.



- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) a) To the best of our knowledge no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) The establishment of whistle blower mechanism is not applicable for the company u/s 177(9) of the Act and hence reporting under the clause 3(xi)(c) of order is not applicable.
- xii) The Company is not a nidhi company. Accordingly, reporting under clause 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. 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) a) The company being a private limited company whose turnover does not exceed Rs 200 Crore and whose outstanding loans and advance from the banks and financial institutions does not exceed Rs 100 crores, the requirement of system of Internal audit is not applicable in terms of section 138 of the Companies Act 2013 read with rule 13 of the companies (Accounts rule 2014). However the company has appointed the external firm of chartered accountants for conducting internal audit, the scope and coverage of the same needs to be strengthened.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company subsequent to the date of financial statements.
- (xv) As per the information available and to the best of our knowledge in our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



- (xvi) a) As per the information available to us and to the best of our knowledge in our opinion the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), of the Order is not applicable.
- b) As per the information available to us and to the best of our knowledge the company has not conducted any Non banking financial or housing finance activities during the year, therefore the requirement of obtaining the certificate of registration from RBI under clause 3(xvi)(b) is not applicable.
- c) Company is not a core investment company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.
- d) As per the information available to us and to the best of our knowledge, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses during the financial year of Rs 45.40 Mn However in the immediately preceding financial year company didn't incur any cash loss.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities (majority of them payable to related parties), on the basis of pending merger (refer note 9 of the financials) and transfer of business with the parent company) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

*For V. P. Jain & Associates
Chartered Accountants*

Firm's registration number: 015260N

Sarthak
Sarthak Madaan
Partner

Membership number: 547131

Place: New Delhi

Date: 10.05.2023

UDIN: 23547131 B6YXEM8750



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 2023 in conjunction with our audit of the IND AS 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 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V. P. Jain & Associates

Chartered Accountants

Firm's registration number: 015260N

Sarthak
Sarthak Madaan

Partner

Membership number: 547131

Place: New Delhi

Date: 10.05.2023

UDIN: 23547131B6XXEM8750



Particulars	Notes	(Amount in ₹ Million)	
		As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3	19.96	33.57
Intangible assets	4A	100.28	124.45
Right-of-use assets	4B	4.41	1.98
Other intangible assets under development	4C	-	-
Financial assets			
- Investments	5B	218.50	218.50
- Trade receivables	5A	7.65	19.14
- Other Financial Assets	5C	0.12	7.29
Deferred tax assets (net)	27A	142.95	118.09
Other non-current assets	7	5.55	4.87
Total non-current assets		499.42	527.89
Current assets			
Inventories	6	-	0.72
Financial assets			
- Trade receivables	5A	11.41	24.24
- Cash and cash equivalents	5D	7.52	2.76
- Other Financial Assets	5C	0.75	1.42
Other current assets	7	0.38	1.86
Total current assets		20.06	31.00
Total assets		519.48	558.89
Equity and liabilities			
Equity			
Equity share capital	8	347.29	347.29
Other equity	9	(500.06)	(435.88)
Total equity		(152.77)	(88.59)
Non-current liabilities			
Financial liabilities			
- Borrowings	10A	1.45	7.16
- Lease liabilities	12B	3.33	1.14
Provisions	13	2.82	2.34
Total non current liabilities		7.60	10.64
Current liabilities			
Financial liabilities			
- Borrowings	10B	602.71	560.63
- Lease liabilities	12B	1.26	0.92
- Trade payables	11	-	0.06
(a) Total outstanding dues of micro and small enterprises		-	0.06
(b) Total outstanding dues of creditors other than micro and small enterprises		54.10	67.97
- Other financial liabilities	12A	4.16	4.94
Other current liabilities	14	1.90	1.76
Provisions	13	0.52	0.56
Total current liabilities		664.65	636.84
Total equity and liabilities		519.48	558.89
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: 10th May 2023



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

Himanshu Gupta
Director
DIN: 00054015

Dhresh Kumar Jhunihnuwala
Director
DIN: 00282988

Manish Kumar Goyal
Company Secretary

UDIN: 23547131B6YXEM9750



DS DIGITAL PRIVATE LIMITED
CIN: U72200DL2008PTC173250
Statement of Profit and Loss for the year ended 31 March 2023

Particulars	Notes	(Amount in ₹ Million)	
		For the period ended 31 March 2023	For the period ended 31 March 2022
I Revenue from Operations	15	48.76	49.37
II Other Income	16	11.10	24.59
III Total Income (I+II)		<u>59.86</u>	<u>73.96</u>
IV Expenses			
Purchases of Stock in trade	17	0.12	0.74
(Increase)/decrease in inventories of finished goods and stock in trade	18	0.36	1.55
Employee benefits expense	19	15.17	14.27
Finance cost	20	52.03	43.64
Other expenses	21	41.49	78.45
Depreciation and amortisation expense	22	39.56	52.79
Total expenses		<u>148.74</u>	<u>191.45</u>
V Profit/(loss) before exceptional items and tax (III - IV)		<u>(88.88)</u>	<u>(117.48)</u>
VI Exceptional item	23	-	167.00
VII Profit/(loss) before tax (V - VI)		<u>(88.88)</u>	<u>49.52</u>
VIII Tax expense:			
1) Current tax			
- Adjustment of tax relating to earlier period/year		-	-
- Pertaining to profit for the current period/year		-	-
2) Deferred tax (credit)/ charge		<u>(24.82)</u>	<u>22.16</u>
Total tax expenses		<u>(24.82)</u>	<u>22.16</u>
IX Profit (Loss) for the period (VII - VIII)		<u>(64.06)</u>	<u>27.35</u>
X Other Comprehensive Income			
- Items that will not be reclassified to profit or loss	24		
Re-measurement gains/(losses) on defined benefit plans		(0.16)	0.12
Tax impact on re-measurement gain/ (losses) on defined benefit plans		0.04	(0.03)
XI Total Comprehensive Income for the period (IX + X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		<u>(64.18)</u>	<u>27.44</u>
XII Earnings per equity share:	25		
(1) Basic		(1.84)	0.79
(2) Diluted		(1.84)	0.79
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

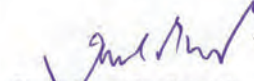


Place : New Delhi
Date : 10th May 2023

UDIN: 23547131B67XEM8750

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


Manish Kumar Goyal
Company Secretary



DS DIGITAL PRIVATE LIMITED
CIN: U72200DL2008PTC173250
Cash Flow Statement for the year ended March 2023

	(Amount in ₹ Million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flow from operating activities		
Profit before tax	(88.88)	(117.48)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	39.56	52.79
Interest expense	52.03	43.64
Provision for Doubtful Debts Reversed	(2.30)	
Provision for Doubtful Debts	9.38	16.56
Amounts Written off/Provision for Export incentive	2.78	(0.27)
Bad Debts written off	2.30	9.82
Fixed Assets written off	-	-
Creditors Write Back	(8.13)	
Loss/(Gain) on Foreign Exchange Fluctuations (Net)	(0.35)	(1.06)
Fair Value Gains on Financial Instruments	(0.01)	(0.05)
Employee Benefit Expenses		0.12
Interest on CCD of Convergia Digital	(0.22)	(0.11)
Other Adjustments		-
Operating profit before working capital changes	6.17	3.96
Movements in working capital :		
(Decrease)/increase in trade payables	(5.81)	(36.83)
(Decrease)/increase in provisions	0.27	(1.68)
(Decrease)/increase in other current liabilities	0.15	0.18
Decrease/(increase) in trade receivables	15.29	9.39
(Increase)/decrease in inventories	0.72	15.77
(Decrease)/increase in other financial liabilities	(0.77)	(4.09)
(Increase)/ in Other financial Assets	5.33	9.26
Cash generated from operating activities	21.34	(4.05)
Direct taxes paid (net of refunds)	0.53	-
Net cash flow from operating activities (A)	21.87	(4.05)
Cash flows from investing activities		
Purchase of fixed assets, including capital work in progress and capital advances	(0.86)	1.11
Proceed from sale of fixed assets	0.15	53.49
Purchase of investments	-	(51.50)
Interest on Investments	0.22	0.11
Net cash used in investing activities (B)	(0.49)	3.21
Cash flows from financing activities		
Proceeds from long-term borrowings	(5.71)	(3.07)
Proceeds from short term borrowings	42.08	54.42
Repayment of Lease Liability	(0.97)	(5.93)
Interest paid	(52.03)	(43.64)
Net cash (used in)/flow from financing activities (C)	(16.64)	1.78
Net (decrease)/increase in cash and cash equivalents (A + B + C)	4.75	0.94
Cash and cash equivalents at the beginning of the year	2.76	1.82
Cash and cash equivalents at the end of the year	7.52	2.76
Components of cash and cash equivalents		
Cash on hand	0.01	0.31
Balances with banks		
- on current account	7.51	2.45
Total cash and cash equivalents (note 16)	7.52	2.76

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



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

Himanshu Gupta
Himanshu Gupta
Director
DIN : 00054015

Dinesh Kumar Jhunjhnuwala
Dinesh Kumar Jhunjhnuwala
Director
DIN : 00282988

Manish Kumar Goyal
Manish Kumar Goyal
Company Secretary



Place : New Delhi
Date : 10th May 2023

UDIN: 23547131B61XEM8750

DS DIGITAL PRIVATE LIMITED

CIN: U72000DL2008PTC173250

Statement of changes in equity for the year ended 31 March 2023

A. Equity share capital					Amount in ₹ Million
As at 31st March, 2023					
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period	
347.29	-	347.29	-	347.29	
As at 31st March, 2022					
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period	
347.29	-	347.29	-	347.29	

B. Other Equity

Amount in Rs Million

As at 31st March, 2023				
Particulars	Reserves and Surplus			
	Notes	Retained Earnings	Equity component of Non Cumulative Optionally Convertible Preference Share	Total
Balance at 1st April, 2022		(595.88)	160.00	(435.88)
Changes in accounting policy or prior period item		-		
Restated balance at the beginning of the current reporting period	8	(595.88)	160.00	(435.88)
Profit/(Loss) for the year		(64.06)		(64.06)
Other comprehensive income/(expense) [net of tax]		(0.12)		(0.12)
Balance as at 31st March, 2023		(660.06)	160.00	(500.06)
As at 31st March, 2022				
Particulars	Reserves and Surplus			
	Notes	Retained Earnings	Equity component of Non Cumulative Optionally Convertible Preference Share	Total
Balance at 1st April, 2021		(623.32)	160.00	(463.32)
Changes in accounting policy or prior period item		-		
Restated balance at the beginning of the current reporting period	8	(623.32)	160.00	(463.32)
Profit/(Loss) for the year		27.35		27.35
Other comprehensive income/(expense) [net of tax]		0.09		0.09
Balance as at 31st March, 2022		(595.88)	160.00	(435.88)

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

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

Sarthak Madaan
Partner
Membership No.: 547131
Fr. No.: 015260NHimanshu Gupta
Director
DIN: 00054015Dinesh Kumar Jhunjhnuwala
Director
DIN: 00282988Place: New Delhi
Date: 10th May 2023Manish Kumar Goyal
Company Secretary

UDIN: 23547131B67XEM8750

1. Company Information

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

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

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

2. Significant Accounting Policies

2.1 Statement of Compliance

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

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

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

2.2 Basis of measurement

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

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

2.3 Use of significant accounting estimates, judgement and assumptions

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the



revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

- a. The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period.
- b. In case of Property, plant and equipment, the charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The 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.



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 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



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previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

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

2.6 Impairment of Non-Financial Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each 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

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.



✓ *Manish*



Impairment of financial assets:-

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

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

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

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

II) Financial Liabilities

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

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

2.8 Revenue Recognition

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

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

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

Income from pre school educational activity is recognised on cash basis.



✓ *Manish*



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

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

2.9 Employee Benefits

Liabilities in respect o

f 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 recognized 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 recognized 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

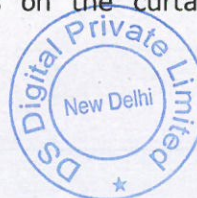
Actuarial gain / loss and other components of re-measurement of net defined benefit liability (asset) are accounted for as OCI. All remaining components of costs are accounted for in statement of profit & loss.

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 recognized immediately in the statement of profit and loss as income or expense. Gains or losses on the curtailment or



✓ 15 *Ranish*



settlement of other long-term benefits are recognized when the curtailment or settlement occurs.

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

2.10 Tax Expenses

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



Handwritten signature and initials.



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

iii) Subsequent Recognition

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

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

iv) Impact of exchange fluctuation

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

2.13 Earnings Per Share

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

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

2.14 Borrowing Cost

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

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

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



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2.16 Inventories

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

2.17 Provisions and Contingencies

Provisions: Provisions are recognized 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.



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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.

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.

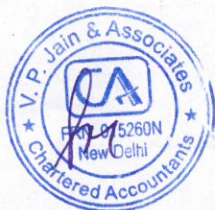
Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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.



3. Property, plant and equipment

(Amount in ₹ Million)					
Particulars	Furniture & Fixtures	Office Equipment	Computers & Peripherals	Plant & Equipment	Total
Cost					
As at 1 April 2021	10.56	3.16	146.89	1.11	161.72
Additions (refer footnote 6.1)	0.39	-	0.84	-	1.22
Disposals/written off	-	-	(1.95)	-	(1.95)
As at 31 March 2022	10.95	3.16	145.77	1.11	160.99
Additions (refer footnote 6.1)	0.06	0.07	0.73	-	0.86
Disposals/written off	-	-	(0.65)	-	(0.65)
As at 31 March 2023	11.00	3.23	145.86	1.11	161.20
Accumulated depreciation					
As at 1 April 2021	7.49	2.63	96.83	0.51	107.46
Charge for the Year	0.98	0.19	20.14	0.10	21.41
Deductions	-	-	(1.45)	-	(1.45)
As at 31 March 2022	8.47	2.82	115.52	0.62	127.42
Charge for the Year	0.91	0.08	13.22	0.10	14.32
Deductions	-	-	(0.49)	-	(0.49)
As at 31 March 2023	9.38	2.90	128.25	0.72	141.25
Net block					
As at 31 March 2022	2.47	0.34	30.26	0.50	33.57
As at 31 March 2023	1.62	0.33	17.61	0.39	19.96

3.1 Refer Note 33(a), 33(b) and 10A.1

3.2 Includes Rs 1.20 Mn Assets pertain to closed learning centres. Management expects to utilise the same in the coming financial year at new learning centres proposed to be opened in the immediate vicinity. However, adjustment entries if any will be passed in the coming financial year.

4A Intangible assets - Others

(Amount in ₹ Million)				
Particulars	Learnfix Brand, Mobile App. & Content	Learning Content	Computer Software	Total
Gross block				
As at 1 April 2021	53.74	286.09	3.88	343.71
Purchases/internal development (refer footnote 4C.1)	0.09	10.35	-	10.44
Disposals (Note 23)	(53.83)	-	-	(53.83)
As at 31 March 2022	-	296.44	3.88	300.32
Purchases/internal development	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2023	-	296.44	3.88	300.32
Accumulated depreciation				
As at 1 April 2021	5.32	145.28	2.75	153.35
Amortization for the year	1.34	27.62	0.21	29.18
Deductions	(6.67)	-	-	(6.67)
As at 31 March 2022	-	172.90	2.96	175.86
Amortization for the year	-	24.17	-	24.17
Deductions	-	-	-	-
As at 31 March 2023	-	197.07	2.96	200.04
Net block				
As at 31 March 2022	-	123.54	0.92	124.45
As at 31 March 2023	-	99.36	0.92	100.28

4B. Right-of-use assets

(Amount in ₹ Million)		
Particulars	As at 31st March 2023	As at 31st March 2022
(In respect of building taken on lease)		
Gross Block balance at the beginning of the year	2.55	12.09
Addition	3.50	2.55
Deletion/Disposals	-	12.09
Gross Block balance at the end of the year (A)	6.05	2.55
Accumulated Amortisation at the beginning of the year	0.57	4.64
Charge for the year	1.07	2.20
Deletion/Disposals (on account of vacancy of premises)	-	6.27
Accumulated Amortisation at the end of the year (B)	1.64	0.57
Balance as at end of the year (A-B)	4.41	1.98

4C. Intangible assets under development

(Amount in ₹ Million)	
As at 31 March 2022	-
As at 31 March 2023	-

4C.1 Employee benefit expenses, professional expenses and payments to vendors of Rs. nil (Previous Year: Rs. 13.72 Mn) has been capitalised under the intangible assets and intangible assets under development.

4C.2 Management is of view that classwise segregation of revenue is not possible and therefore impairment exercise cannot be done classwise. Management carries the exercise of the impairment on the basis of project and it is certified that there is no impairment during the year.



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5. Financial Assets

5A. Trade receivables

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Trade receivables		
Unsecured, considered good	11.16	24.22
Receivable which have significant increase in credit risk (refer footnote 5A.2)	3.95	16.56
Receivable credit impaired (refer footnote 5A.2)	44.67	36.25
	59.78	77.02
Less: Allowance for expected credit loss		
Unsecured, considered good	0.01	0.03
Receivable which have significant increase in credit risk	2.52	3.76
Receivable credit impaired	38.19	29.85
	40.72	33.64
Net Trade receivables		
Unsecured, considered good	11.16	24.19
Receivable which have significant increase in credit risk	1.43	12.80
Receivable credit impaired	6.48	6.39
	19.06	43.38
Current	11.41	24.24
Non-Current	7.65	19.14

Below table represents the trade receivables ageing from due date of payment:

Particulars	(Amount in ₹ Million)					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023:						
a) Undisputed trade receivables						
- considered good	9.01	2.16	-	-	-	11.16
- which have significant increase in credit risk	-	-	2.48	1.47	-	3.95
- which are credit impaired	-	-	-	-	29.54	29.54
	9.01	2.16	2.48	1.47	29.54	44.65
b) Disputed trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	0.25	-	0.04	1.62	13.22	15.13
	0.25	-	0.04	1.62	13.22	15.13
Less: Expected Credit Loss	-	0.01	0.05	2.47	38.19	40.72
	9.26	2.15	2.47	0.61	4.57	19.06
As at 31 March 2022:						
a) Undisputed trade receivables						
- considered good	20.02	4.20	-	-	-	24.22
- which have significant increase in credit risk	-	-	5.34	11.21	-	16.56
- which are credit impaired	-	-	-	-	23.15	23.15
	20.02	4.20	5.34	11.21	23.15	63.92
b) Disputed trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	0.02	0.03	0.27	0.82	11.97	13.10
	0.02	0.03	0.27	0.82	11.97	13.10
Less: Expected Credit Loss	-	0.03	0.31	3.45	29.85	33.64
	20.03	4.20	5.30	8.58	5.26	43.38

5A.1 No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

5A.2 Company has sent mails to the major customers towards confirmation of the balances out of which confirmation of some parties have been received. The management expects that no significant differences will arise on the receipt of the confirmations. Adjustment/ Reconciliation entry if any will be passed in the subsequent financial year.

5B. Investments

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Investments in unquoted debentures		
Convergia Digital Education Private Limited	218.50	218.50
(2,185 Cumulative Convertible Debentures of Rs. 1 Lakh/- each)	218.50	218.50



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5C. Other Financials Assets

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Considered Good		
Security deposits - Non Current	0.12	0.19
Security deposits - Current	0.52	1.08
Advance to employees Imprest	0.01	0.22
Accrued Income (on Compulsory Convertible Debentures)	0.22	0.11
Considered Doubtful		
Export Incentive Receivable	1.58	7.11
Provision against Export Incentive Receivable	(1.58)	-
Total other financial assets	0.87	8.71
Current	0.75	1.42
Non-Current	0.12	7.29

5D. Cash and cash equivalents

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- In current accounts	7.51	2.45
Cash in hand	0.01	0.31
Total Cash and cash equivalents	7.52	2.76

6. Inventories

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Stock-in-Trade (lower of cost or net realisable value)	-	0.72
Total Inventories	-	0.72

6.1 In view of the fact that inventory of Rs 0.36 Mn (PY - Rs 0.74 Mn) is meant for servicing only, these have been treated as capital stores and transferred to PPE.



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7. Other Assets

7A. Prepaid expenses

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Prepaid expenses (Non current)	0.02	0.02
Prepaid expenses (Current)	0.08	0.19
Total Prepaid expenses	0.11	0.21

7B. Other assets

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Advance Taxes, TDS & Other Receivable		
- TDS (FY19-20)	2.86	2.86
- TDS (FY20-21)	-	0.50
- TDS (FY21-22)	1.80	1.49
- TDS (FY22-23)	0.86	-
- GST Credit Recoverable	0.18	1.65
Advance to Suppliers	0.11	0.02
Total Other assets	5.81	6.52
Current	0.38	1.86
Non-Current	5.55	4.87

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8. Share Capital

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Authorised		
3,70,00,000 (31 March 2022: 3,70,00,000) equity shares of Rs 10/- each	370.00	370.00
2,30,00,000 (31 March 2022: 2,30,00,000) preference shares of Rs 10/- each	230.00	230.00
Issued, subscribed and fully paid up		
3,47,28,920 (31 March 2022: 3,47,28,920) equity shares of Rs 10/- each	347.29	347.29
	347.29	347.29

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

Equity shares	Numbers	Numbers
Issued, subscribed and fully paid up		
As at 1 April 2021	3,47,28,920	3,47,28,920
Increase/(Decrease) during the period	-	-
As at 31 March 2022	3,47,28,920	3,47,28,920
Increase/(Decrease) during the period	-	-
As at 31 March 2023	3,47,28,920	3,47,28,920

b. Terms/ rights attached to equity shares

The Company has only one class of equity 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

	(Amount in ₹ Million)	
	31 March 2023	31 March 2022
S Chand And Company Limited	176.87	176.87
Safari Digital Education Initiatives Private Limited	170.37	170.37

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

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

e. Details of shares held by promoters in the Company

	31 March 2023 (Rs.)		
	No. of shares held	% of Shareholding	% change in shareholding
S Chand And Company Limited	1,76,86,750	50.93%	0.00%
Safari Digital Education Initiatives Private Limited	1,70,37,165	49.06%	0.00%

9. Other Equity

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Retained earning		
Balance as the Beginning of reporting period	(595.88)	(623.32)
Add: Surplus during the year	(64.06)	27.35
Add/(Less): Equity Component (I) Preference Shares	-	-
Add: Other Comprehensive income	(0.12)	0.09
Balance as the end of reporting period (A)	(660.06)	(595.88)
Equity component of preference shares		
Equity component (I Preference shares)	-	-
Equity component (II Preference shares)	160.00	160.00
Balance as the end of reporting period (B)	160.00	160.00
Total (A+B)	(500.06)	(435.88)

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 which was increased upto March 31, 2023 has been further extended upto March 31 2024 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.



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 further increased upto March 31, 2024 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. There are no stipulations as to the interest on the same because as per proposed Composite Scheme of Arrangement ("Scheme") amongst the Companies which has been filed with the National Company Law Tribunal ("NCLT") for its approval, After de-merger of education business of the Company with and into S Chand And Company Limited, the Company will be amalgamated with Safari Digital Education Initiatives, in pursuance of which the aforesaid OCNCPS held by Safari will stand cancelled. Hence, no Interest has been provided.

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

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

Convertible Preference share shall have optionally convertible into equity shares of the Company after a period of 2 years from the date of issue at the option of the Safari Digital Education Initiatives Private Limited. However, till date the investor company has not exercised its option.

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

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

1% optionally convertible non-cumulative Preference Shares

(Amount in ₹ Million)

Particulars	As at 31 March 2023	As at 31 March 2022
As per last Balance Sheet	61.70	61.70
Changes during the period	-	-
Balance at end of year	61.70	61.70

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

Particulars	As at 31 March 2023	As at 31 March 2022
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

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

Name of Shareholders	As at 31 March 2023	As at 31 March 2022
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 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 winding up or repayment of capital.

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

Convertible Preference share shall have optionally convertible into equity shares of the Company after a period of 2 years from the date of issue at the option of the S Chand And Company 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.

The Company has filed Draft Composite Scheme of Arrangement on January 9, 2018, amongst Blackie & Son (Calcutta) Private Limited ("Blackie"), Nirja Publishers & Printers Private Limited ("Nirja"), DS Digital Private Limited ("DS Digital"), Safari Digital Education Initiatives Private Limited ("Safari Digital") and S Chand And Company Limited ("S Chand") and their respective shareholders and creditors (Composite Scheme) with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular"). 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 Company had filed the Scheme with NCLT for approval. NCLT had directed to convene meetings of shareholders, secured & unsecured creditors of S Chand and meeting of secured & unsecured creditors of Nirja and DS Digital ("the meetings") for approval of the Scheme. These meetings were convened through video conferencing on July 17 and 18, 2020. Respective creditors and shareholders have approved the Composite Scheme and thereafter Company has filed a second motion application with NCLT for approval of the Composite Scheme. NCLT vide its order dated January 31, 2023 has reserved its order in the aforesaid Composite Scheme and pronouncement of NCLT order is awaited.

As per the said Scheme, the education business of the Company will be merged with and into S Chand and after de-merger of education business of the Company with and into S Chand, the Company with residual business will be amalgamated with Safari. In pursuance of the Scheme, against the said OCNCPS held by S Chand, Safari will issue 2 (Two) preference shares of Rs. 10/-each fully paid-up of the Safari for 17 (Seventeen) preference shares of Rs. 10/-each of the Company held by S Chand. This share swap ratio is integral part of the scheme. If the Company would have redeemed these OCNCPS, the valuation, swap ratio and purpose of the scheme would have been impacted. Therefore, the Company did not redeem or convert the said OCNCPS.

The Scheme has been approved by the shareholders of the Company and shareholders of S Chand. In view of the same, the said OCNCPS are neither to be redeemed nor to be converted into equity shares. However, In case the Scheme is not approved by the NCLT, in that situation the said OCNCPS shall be required to be re-deemed mandatorily.

In order to comply the applicable provisions of The Companies Act, 2013 ("the Act") and for better corporate governance, the Board of Directors of the Company by passing resolution on April 13, 2023 decided to increase the tenure of redemption of said OCNCPS upto March 31, 2024. The tenure of redemption of these preference shares has been further increased upto March 31, 2024 with the written consent of S Chand And Company Limited as per section 48 of The Companies Act, 2013.



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(Amount in ₹ Million)		
1% optionally convertible non-cumulative Preference Shares		
	As at 31 March 2023	As at 31 March 2022
As per last Balance Sheet	160.00	160.00
Changes during the period	-	-
Balance at end of period	160.00	160.00

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

Particulars	As at 31 March 2023	As at 31 March 2022
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

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

Name of Shareholders	As at 31 March 2023	As at 31 March 2022
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

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Secured Loans		
Loan from Banks		
Standard Chartered Bank (ECLGS)	-	4.64
Loan from Others		
Siemens Financial Services Private Limited (Refer Note 10A.1)	-	2.83
Siemens Financial Services Private Limited (ECLGS) (Refer Note 10A.1)	3.72	5.73
Hewlett Packard Financial Services (India) Private Limited (Refer Note 10A.1)	0.22	1.69
Total borrowings	3.94	14.88
Less : Current Maturities of long Term Borrowings	2.49	7.72
Non Current Borrowings after deduction of current maturities of long term borrowings	1.45	7.16

10A.1 Secured against the Movable Property Plant and equipment of the Company.

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10B. Current borrowings

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Secured:		
Loan from Banks		
Standard Chartered Bank (Cash Credit)	-	-
Loan from Others		
Current Maturities of long Term Borrowings (refer note 10A.1)	2.49	7.72
Unsecured :		
Loans from related parties		
S Chand and Company Limited (Refer Note 10B.1)	163.61	149.56
Nirja Publishers & Printers Private Limited (Refer Note 10B.2)	40.77	37.27
Blackie & Son (Calcutta) Private Limited (refer note 10B.3)	11.38	10.40
Safari Digital Education Initiatives Private Limited (refer note 10B.4)	74.14	71.68
Chhaya Prakashani Limited (refer note 10B.5)	248.61	222.30
Safari Digital Education Initiatives Private Limited (Pref. shares) (refer note 9.1)	61.70	61.70
Total	602.71	560.63
Secured	2.49	7.72
Unsecured	600.22	552.91

10B.1. Optionally Convertible Loan amount Rs. 113.45 Mn (Mar'22 Rs 113.45 Mn) & Interest accrued Rs. 50.16 Mn (Mar'22 Rs.36.11 Mn)
10B.2. Optionally Convertible Loan amount Rs. 25.00 Mn (Mar'22 Rs 25.00 Mn) & Interest accrued Rs.15.77 Mn (Mar'22 Rs.12.27 Mn)
10B.3. Optionally Convertible Loan amount Rs. 6.50 Mn (Mar'22 Rs 6.50 Mn) & Interest accrued Rs.4.88 Mn (Mar'22 Rs. 3.90 Mn)
10B.4. Includes Interest Bearing Loan for Rs 53.60 Mn (Mar'22 - Rs.53.60 Mn) and interest accrued of Rs. 20.54 Mn (Mar'22 - Rs 18.08 Mn)
10B.5. Optionally Convertible Loan Rs. 18.85 Mn (Mar'22 - Rs. 18.35 Mn) and interest accrued Rs.229.76 Mn (Mar'22 - Rs. 203.95 Mn)

11. Trade payables

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises	-	0.06
Total outstanding dues of related entities	53.05	59.28
Total outstanding dues of creditors other than micro enterprises & small enterprises	1.05	8.69
Total Trade payables	54.10	68.04

Below table represents the trade payables ageing:

Particulars	(Amount in ₹ Million)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023:					
a) Undisputed trade payables					
Micro enterprises and small enterprises	-	-	-	-	-
Others	5.39	5.24	6.79	36.68	54.10
	5.39	5.24	6.79	36.68	54.10
b) Disputed trade payables					
Micro enterprises and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
	5.39	5.24	6.79	36.68	54.10
As at 31 March 2022:					
a) Undisputed trade payables					
Micro enterprises and small enterprises	0.06	-	-	-	0.06
Others	13.28	7.69	9.62	37.39	67.97
	13.34	7.69	9.62	37.39	68.04
b) Disputed trade payables					
Micro enterprises and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
	13.34	7.69	9.62	37.39	68.04

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



12 (A) Other financial liabilities

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Expenses Payables	2.98	2.90
Employee salary Payable	0.94	0.69
Other financial liabilities (Employees Imprest)	0.24	1.35
Total other financial liabilities	4.16	4.94
Current	4.16	4.94
Non current	-	-

12 (B) Lease liabilities

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Lease Liability (Current)	1.26	0.92
Lease Liability (Non-Current)	3.33	1.14
Total other financial liabilities	4.59	2.06

13 Provisions

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Provision for retirement benefits		
- Gratuity	2.23	1.90
- Leave Encashment	1.10	1.01
Total Provisions	3.34	2.90
Current	0.52	0.56
- Gratuity	0.35	0.37
- Leave Encashment	0.17	0.19
Non current	2.82	2.34
- Gratuity	1.89	1.52
- Leave Encashment	0.93	0.82

13.1 Refer Note no 26.

14 Other liabilities

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Other payables:		
Statutory dues	1.52	1.19
Advance from customers (as certified by management)	0.38	0.57
Total Other liabilities	1.90	1.76
Current	1.90	1.76
Non current	-	-



15 Revenue From Operations

Particulars	(Amount in ₹ Million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products		
Finished goods	0.13	0.01
Sale of services (Refer Note 15.1)	48.36	48.68
Other Operating Revenues		
Export Incentive	0.28	0.68
Total revenue from operations	48.76	49.37
Detail of sale of services		
Domestic		
Customized Interactive Education Services	29.00	32.66
Income From Pre School Educational Activity	8.60	5.05
Learnflix Ebooks	-	1.18
Milestone Edge	-	0.15
Scrap Sale	-	0.01
Export		
Customised Interactive Education Services	10.75	9.64
	48.36	48.68

15.1 Includes Rs 0.42 Mn (Previous Year: Rs. 0.93 Mn) pertaining to the next financial year (refer accounting policy Note No2.).

16 Other Incomes

Particulars	(Amount in ₹ Million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Foreign Exchange Rate Difference	0.35	1.06
Interest on Income Tax Refund	0.03	-
Interest on Compulsory Convertible Debentures	0.22	0.11
Provision reversed on account of Actual Bad Debt	2.30	22.33
Fair Value Gain on Security Deposit	0.08	0.32
Other Income	8.13	0.78
Total other income	11.10	24.59

16.1 Other Income Represents write back of non active balances of creditors.



17 Purchase & implementation cost

Particulars	(Amount in ₹ Million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Computer & Peripherals	0.12	0.23
E Books	-	0.38
Milestone Edge	-	0.13
Total Purchase & implementation cost	0.12	0.74

18 (Increase)/Decrease in Inventories

Particulars	(Amount in ₹ Million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the beginning of the year		
Trade Items	0.72	16.49
(Less) Inventory transferred through sale of learnflix business	-	(13.47)
(Less) Inventory capitalised during the year (refer note 6.1)	(0.36)	(0.74)
Inventories at the end of the year		
Trade Items	-	0.72
(Increase)/decrease in inventories	0.36	1.55

19 Employee Benefits Expenses

Particulars	(Amount in ₹ Million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, Wages, Allowances (refer footnote 4C.1)	12.13	8.83
Provident Fund & ESI	0.77	0.60
Staff Welfare and Medical Insurance	0.03	0.01
Gratuity	0.34	0.48
Leave encashment	0.18	0.09
Bonus and Exgratia	0.27	0.37
Other Benefits to Staff	1.44	3.89
Total employee benefits expenses	15.17	14.27

20 Finance Cost

Particulars	(Amount in ₹ Million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest Expense		
Interest on term loan	0.91	2.41
Interest on other loan	50.70	40.58
Interest on Lease Liability (ROU)	0.24	0.43
Interest - Others	0.17	0.19
Bank Charges	0.01	0.03
Total finance cost	52.03	43.64



21 Other Expenses

Particulars	(Amount in ₹ Million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Office Expense	0.95	0.52
Professional /Consultancy charges	8.65	10.42
Conveyance Expenses	0.09	0.20
Electricity & Genset Expenses	0.68	0.66
Repair & Maintenance	3.06	2.28
Office Stationery	0.14	0.12
Telephone	0.29	0.32
Rent expenses	0.60	0.47
Auditor's Remuneration (Refer Note 21.3)	0.35	0.35
Amount written off (Refer Note 21.1)	1.20	0.51
Provision against Export Incentive Receivable	1.58	-
Insurance Expenses	0.13	0.27
Advertisement and conference expenses	0.14	1.68
Travelling and boarding expenses	3.79	3.50
Freight, cartage and installation expenses	0.01	0.04
Marketing & Channel expenses	0.26	0.13
Business promotion	1.18	0.28
Rates & Taxes	0.10	0.05
Bad Debts Written Off	2.30	32.14
School Van Running Expense	0.43	-
Provision for Expected Credit Loss (Refer Note 34e)	9.38	16.56
Fair Value Loss on Security Deposit	0.08	0.27
Loss on Sale of Fixed Assets	0.00	-
Shared management service	1.88	4.18
Computer expenses	1.87	1.72
Educational services	1.35	0.84
Miscellaneous Expenses (Refer Note 21.2)	1.00	0.94
Total other expenses	41.49	78.45

21.1 Represents export incentive receivable written off (PY: NIL)

21.2 Includes security charges Rs. 0.41 Mn (PY: Rs. 0.69 Mn), Loss on Sale of Duty Credit Scrips Rs 0.28 Mn (PY: Rs. NIL).

21.3 Payment to auditor

Particulars	(Amount in ₹ Million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor		
For Audit	0.35	0.35
Reimbursement of expenses	-	-
	0.35	0.35



22 Depreciation and Amortisation Expenses

(Amount in ₹ Million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant & equipment	14.32	21.41
Amortisation of intangible assets	24.17	29.18
Amortisation of Right-of-use asset	1.07	2.20
Total depreciation and amortisation expenses	39.56	52.79

23 Exceptional Items

(Amount in ₹ Million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gain on Slump Sale of Learnflix business	-	167.00
Total	-	167.00

24 Components of Other Comprehensive Income (OCI)

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

(Amount in ₹ Million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Re-measurement gains/(losses) on defined benefit plans	(0.16)	0.12
Tax impact on re-measurement gains/(losses) on defined benefit plans	0.04	(0.03)
	(0.12)	0.09



25 Earnings per share

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

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

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

Particulars	(Amount in ₹ Million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Net Loss after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	(64.06)	27.35
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	(1.84)	0.79
Diluted Earnings per share	(1.84)	0.79

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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26 Defined benefit plans:

A. Gratuity

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

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

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

		Amount in Millions	
Particulars		2022-23	2021-22
I	Change in present value of defined benefit obligation during the year		
	Defined Benefit Obligation as of Prior Year	1.90	2.84
	Service Cost :-		
	Current service cost	0.23	0.36
	Past service cost		
	Interest Cost	0.11	0.12
	Benefit payments directly by employer	(0.16)	(0.42)
	Acquisition / Divestiture	-	(0.88)
	Actuarial (Gain) / Loss - Demographic	-	-
	Actuarial (Gain) / Loss - Financial	(0.23)	(0.06)
	Actuarial (Gain) / Loss - Experience	0.39	(0.06)
	Defined Benefit Obligation at the end of Current Year	2.23	1.90
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	1.90	2.84
	Defined benefit cost included in P&L	0.34	0.48
	Total remeasurements included in OCI	0.16	(0.12)
	Direct benefit payments by Employer	(0.16)	(0.42)
	Acquisition / Divestiture	-	(0.88)
	Net defined benefit liability (asset) - end of period	2.23	1.90
IV	Expense recognised in the statement of profit or loss during the year		
	Service cost	0.23	0.36
	Net interest cost	0.11	0.12
	Total expense recognised in the employee benefit expense	0.34	0.48
V	Recognised in other comprehensive income for the year		
	Cumulative OCI - (Income)/Loss, Beginning of Period	(1.14)	(1.03)
	Total remeasurements included in OCI	0.16	(0.12)
	Cumulative OCI - (Income)/Loss, End of Period	(0.98)	(1.14)
VI	Maturity profile of defined benefit obligation		
	Year 1	0.35	0.37
	Year 2	0.43	0.24
	Year 3	0.27	0.22
	Year 4	0.25	0.27
	Year 5	0.24	0.18
	Year 6 to 10	0.92	0.70
Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:			
VII	Quantitative sensitivity 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	2.35	2.00
	Discount rate + 100 basis points	2.13	1.80
	Impact of change		
	Discount rate - 100 basis points	(0.12)	(0.10)
	Discount rate + 100 basis points	0.11	0.09
	b) Impact of change in salary		
	Present Value of obligation at the end of the period		
	Rate - 100 basis points	2.14	1.82
	Rate + 100 basis points	2.33	1.98
	Impact of change		
	Rate - 100 basis points	0.09	0.08
	Rate + 100 basis points	(0.10)	(0.08)
VIII	Actuarial assumptions		
	Discount Rate	7.36%	6.55%
	Future salary increase (First Year)	8.00%	6.00%
	Future salary increase (Second Year Onwards)	8.00%	10.00%
	Retirement Age (years)	60 Years	60 Years
	Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)
	Withdrawal rate	Ultimate	Ultimate
		15%	15%

The actuarial valuation of the present valuation of defined benefit obligation were carried out as at March 31, 2023. 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:

	Particulars	2022-23	2021-22
I	Change in present value of defined benefit obligation during the year		
	Defined Benefit Obligation as of Prior Year	1.01	1.75
	Service Cost :-		
	Current service cost	0.18	-
	(Gain)/Loss on curtailments	-	-
	Interest Cost	-	0.08
	Benefit payments directly by employer	(0.09)	(0.38)
	Acquisition / Divestiture	-	(0.45)
	Actuarial (Gain) / Loss - Demographic	-	-
	Actuarial (Gain) / Loss - Financial	-	(0.03)
	Actuarial (Gain) / Loss - Experience	-	0.04
	Defined Benefit Obligation at the end of Current Year	1.10	1.01
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	1.01	1.75
	Defined benefit cost included in P&L	0.18	0.09
	Total remeasurements included in OCI	-	-
	Direct benefit payments by Employer	(0.09)	(0.38)
	Acquisition / Divestiture	-	(0.45)
	Net defined benefit liability (asset) - end of period	1.10	1.01
IV	Expense recognised in the statement of profit or loss during the year		
	Service cost	-	-
	Net interest cost	-	0.08
	Immediate recognition of loss	-	0.01
	Total expense recognised in the employee benefit expense	-	1.09
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	0.17	0.19
	Year 2	0.23	0.13
	Year 3	0.13	0.12
	Year 4	0.12	0.15
	Year 5	0.11	0.09
	Year 6 to 10	0.42	0.36
	Above 10 years	0.59	-
VII	Quantitative sensitivity 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	1.16	1.06
	Discount rate + 100 basis points	1.05	0.96
	Impact of change		
	Discount rate - 100 basis points	(0.06)	(0.06)
	Discount rate + 100 basis points	0.05	0.05
	b) Impact of change in salary		
	Present Value of obligation at the end of the period		
	Rate - 100 basis points	1.04	0.96
	Rate + 100 basis points	1.17	1.06
	Impact of change		
	Rate - 100 basis points	0.06	0.05
	Rate + 100 basis points	(0.06)	(0.06)
VIII	Actuarial assumptions		
	Discount Rate	7.36%	6.55%
	Future salary increase (For First Year)	8.00%	6.00%
	Future salary increase (Second Year Onwards)	8.00%	10.00%
	Retirement Age (years)	60 Years	60 Years
	Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)
		Ultimate	Ultimate
	Withdrawal rate	15%	15%



- 27A Deferred tax assets (net)
Deferred tax is calculated, in full, on all temporary timing differences under the liability method based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. The movement on the deferred tax account is as follows:

Particulars	(Amount in ₹ Million)			
	For the year ended 31 March, 2023			As at 31st March, 2023
	As at 31st March, 2022	Recognised in Profit & Loss	OCI	
Tax effect of items constituting Deferred Tax Liabilities				
Property, plant and equipment, Right of Use Asset	(16.94)	1.64	-	(15.30)
(A)	(16.94)	1.64	-	(15.30)
Tax effect of items constituting Deferred Tax Assets				
Carried Forward Losses	11.15	17.55	-	28.70
Unabsorbed Depreciation	113.97	3.07	-	117.03
Provisions and Lease Liability	9.92	2.56	0.04	12.52
(B)	135.03	23.18	0.04	158.26
Deferred Tax Assets (Net)	118.09	24.82	0.04	142.95

Particulars	(Amount in ₹ Million)			
	For the year ended 31 March, 2022			As at 31st March, 2022
	As at 31st March, 2021	Recognised in Profit & Loss	OCI	
Tax effect of items constituting Deferred Tax Liabilities				
Property, plant and equipment, Right of Use Asset	(27.36)	10.42	-	(16.94)
(A)	(27.36)	10.42	-	(16.94)
Tax effect of items constituting Deferred Tax Assets				
Carried Forward Losses	18.60	(7.46)	-	11.15
Unabsorbed Depreciation	135.75	(21.78)	-	113.97
Provisions	13.29	(3.34)	(0.03)	9.92
(B)	167.64	(32.58)	(0.03)	135.03
Deferred Tax Assets (Net)	140.29	(22.16)	(0.03)	118.09

- 27A.1 The Company has filed Draft Composite Scheme of Arrangement on January 9, 2018, amongst Blackie & Son (Calcutta) Private Limited ("Blackie"), Nirja Publishers & Printers Private Limited ("Nirja"), DS Digital Private Limited ("DS Digital"), Safari Digital Education Initiatives Private Limited ("Safari Digital") and S Chand And Company Limited ("S Chand") and their respective shareholders and creditors (Composite Scheme) with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular"). 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 Company had filed the Scheme with NCLT for approval. NCLT had directed to convene meetings of shareholders, secured & unsecured creditors of S Chand and meeting of secured & unsecured creditors of Nirja and DS Digital ("the meetings") for approval of the Scheme. These meetings were convened through video conferencing on July 17 and 18, 2020. Respective creditors and shareholders have approved the Composite Scheme and thereafter Company has filed a second motion application with NCLT for approval of the Composite Scheme. NCLT vide its order dated January 31, 2023 has reserved its order in the aforesaid Composite Scheme and pronouncement of NCLT order is awaited. The Company has created Deferred tax asset on account of the fact that the Scheme of merger would be approved. Deferred tax asset has been computed considering the Unabsorbed Depreciation as per Return of Income instead of assessed depreciation on the ground that the disallowance of depreciation would be deleted in the appellate proceedings pending as on date.

27B Tax Expenses

Particulars	(Amount in ₹ Million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Income Tax charged or credited to Statement of profit and Loss during the year		
In Statement of Profit and Loss		
Current Tax	-	-
- Adjustment of tax relating to earlier period/year	-	-
- Pertaining to profit for the current period/year	-	-
Deferred Tax Credit	(24.82)	22.16
In Other Comprehensive Income		
Deferred Tax Credit	(0.04)	0.03
Total	(24.86)	22.19
(b) Reconciliation of tax expenses		
Accounting Loss before tax	(88.88)	49.52
Applicable Tax Rate	26.00%	26.00%
Computed Tax Expense	(23.11)	12.87
Tax effect of:		
Tax impact on lapsed B/F Losses	-	6.91
Tax impact on Rise Centre Losses (not accounted for)	(0.08)	0.12
Tax Impact on timing differences in PPE	(1.64)	2.93
Tax Impact on timing diff in OCI	(0.04)	(0.65)
Tax Expenses recognised in Statement of Profit and Loss	(24.86)	22.19



DS DIGITAL PRIVATE LIMITED
CIN: U72200DL2008PTC173250
For the period ended as on 31 March 2023

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 IT Services Private Limited (Formerly known as Shaara Hospitality Private Limited)
- HMR Sports Ventures Private Limited
- Amenity Sports Academy Private Limited
- Amenity Public School
- 5) Key Management Personnel
- Mr. Himanshu Gupta
- Mr. Dinesh Kumar Jhunjhunwala
- Mr. Manish Kumar Goyal, Company Secretary
- Mr. Sharad Talwar, Independent Director
- Mr. Rajagopalan Chandrashekar, Independent Director
- Ms. Anita Bhalla, Chief Financial Officer (Resigned w.e.f. 12.12.2022)



Nature of Transactions	Holding Company		Key Managerial Personnel & their relatives		Companies under Same Management		Directors Substantial Shareholdings		Total	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Loans and Advances Received S Chand And Company Limited Chhaya Prakashani Limited	-	16.50			5.00	40.00			5.00	16.50 40.00
Reimbursement of Expenses Safari Digital Education Initiatives Private Limited Convergia Digital Education Private Limited New Saraswati House (India) Private Limited S Chand And Company Limited	0.72	0.66			0.01 0.74 1.59	1.13 12.16 0.07			0.01 0.74 2.31	1.13 12.16 0.07 0.66



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Nature of Transactions	Holding Company		Key Managerial Personnel & their relatives		Companies under Same Management		Directors Substantial Shareholdings		Total	
	1.88	4.18							1.88	4.18
Shared Management Services S Chand And Company Limited										
Purchase of Product/Services Safari Digital Education Initiatives Private Limited					-			4.29	-	4.29
Sale of Learnflix Division Convergia Digital Education Private Limited					-			218.54	-	218.54
Interest Income on CCD Convergia Digital Education Private Limited					0.22			3.43	0.22	3.43
Investment in Compulsory Convertible Debentures Convergia Digital Education Private Limited					-			218.50	-	218.50
Sale of Customised Interactive Content Convergia Digital Education Private Limited					0.05			-	0.05	-
Content License Fees (Purchase) Convergia Digital Education Private Limited					2.55			-	2.55	-
Director Sitting fees Rajgopalan Chandrashekhar Sharad Talwar			0.15 0.20	0.10 0.20					0.15 0.20	0.10 0.20
Interest Expense Safari Digital Education Initiatives Private Limited Blackie & Son (Calcutta) Private Limited Nirja Publishers & Printers Private Limited S Chand And Company Limited Chhaya Prakashani Limited	15.61	12.20				6.43 1.09 3.89 23.68		6.43 0.93 3.32 16.05	6.43 1.09 3.32 23.68	6.43 0.93 3.32 16.05
Other Expenses Educor Technologies India Private Limited Vikas Publishing House Private Limited SC Hotel Tourist Deluxe Private Limited						- - 0.01		0.03 0.01 -	- - 0.01	0.03 0.01 -
Short Term Borrowings as at 31st March 2023 Blackie & Son (Calcutta) Private Limited S Chand And Company Limited (Loan) Safari Digital Education Initiatives Private Limited Chhaya Prakashani Limited Nirja Publishers & Printers Private Limited	163.61	149.56				11.38 135.85 248.61 40.77		10.40 133.38 222.30 37.27	11.38 163.61 133.38 248.61 40.77	10.40 149.56 133.38 222.30 37.27
Investments as at 31st March 2023 Convergia Digital Education Private Limited						218.50		218.50	218.50	218.50
Trade Receivables as at 31st March 2023 Convergia Digital Education Private Limited						1.87		9.56	1.87	9.56
Trade Payables as at 31st March 2023 S Chand And Company Limited (Running) SC Hotel Tourist Deluxe Private Limited Convergia Digital Education Private Limited	53.05	48.65				-		4.81	53.05	48.65

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

29 Contingent Liabilities

Particulars	(Amount in ₹ Million)	
	As at 31 March 2023	As at 31 March 2022
Claims against the Company not acknowledged as debts		
1. VAT claim by U. P. VAT Act.	2.75	2.75
2. Demand for AY 2018-19 under IT Act, 1961	73.18	73.18
3. Demand for AY 2020-21 under IT Act, 1961	79.31	-
	155.24	75.93

29.1 Company has paid Rs 1.1 Mn for levy of penalty U/S 54(1) of U. P. VAT Act vide Appellate order the order has been set aside for re-adjudication.

29.2 A demand of Rs 73.18 Mn has been created 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 143(3A) and 143(3B) of the

Income Tax Act 1961. Assessee has filed an appeal before the National Faceless Appeal Centre which is pending. Assessee is hopeful that the addition would be deleted and ultimately there would not be any tax liability.

29.3 A demand of Rs 79.31 Mn has been created for AY 2020-21 by the National E Assessment Centre in respect of various additions made in the order framed under section 143(3) read with section 143(3A) and 143(3B) of the

Income Tax Act 1961. Assessee has filed an appeal before the National Faceless Appeal Centre which is pending. Assessee is hopeful that the addition would be deleted and ultimately there would not be any tax liability.

30 Unhedged foreign currency exposure :-

(Amount in ₹ Million)

Particulars	31 March 2023			31 March 2022		
Trade receivables:-						
Qatari Riyal	5.08	QAR 2,25,000	22.58/- per QR	4.68	QAR 2,25,000	20.82/- per QAR
UAE Dirhams	0.97	AED 43,498	22.38/- per AED	4.17	AED 2,02,142	20.64/- per AED
Omani Rial	-	-	-	1.45	OMR 7,596	191.17/- per OMR
US Dollars	-	-	-	0.48	USD 6,500	73.50/- per USD
Total	6.05			10.79		

31 Financial Instruments - Accounting classifications and fair value measurements

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

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

A Fair Value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

B Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

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

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

	(Amount in ₹ Million)	
	Carrying amount As at 31st Mar 2023	Fair Value Level III
Financial assets at amortised cost		
Trade receivables	19.06	
Cash and Bank balances	7.52	
Loans	0.87	
Total	27.45	-
Financial liabilities at amortised cost		
Borrowings	604.16	
Lease liability	4.59	
Trade payables	54.10	
Other financial liabilities	4.16	
Total	667.01	-



32 Additional information

Supplementary Information		31 March 2023	31 March 2022
		(Amount in ₹ Million) mount in ₹ Million)	
<u>Earnings in foreign exchange:</u>			
A.	Export of goods /Services	10.75	9.64
		10.75	9.64
<u>Expenditure in foreign currency</u>			
A.	Traveling	0.26	0.16
B.	Cloud Services	0.66	0.74
		0.92	0.90

33 General Disclosures

a) 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 these assets will be recovered and does not foresee either significant down-sizing in the operations or any changes in lease terms. Moreover, the composite scheme of arrangement as detailed in Note 27A.1 has been filed before NCLT the order of which is reserved. Company expects that the scheme will be approved in the coming financial year and therefore the company will be merged with fellow subsidiary. Therefore in view of the same, no impairment testing has been done.

b) During the year, company has carried out the physical verification of property, plant and equipment at various schools and other locations. The reconciliation of the physical verification of the assets with the books of accounts is in progress and adjustment entries if any shall be passed in the coming financial year. Management doesn't expect any significant discrepancies between the physical verification count and the financial records.

34 Disclosure related to key financial ratios:

Key financial ratios	Numerator	Denominator	Current period 31 March 2023	Current period 31 March 2022	% Variance	Reason for variance
a. Current ratio (in times)	Current assets	Current liabilities	0.03	0.05	-37.99%	Decrease in Trade Receivables (Current) from 24.24 million to 11.41 million and increase in current debt
b. Debt-equity ratio (in times)	Total debt	Shareholder's equity	-3.98	-6.43	-38.05%	Decrease in Equity on account of increase in the losses in the Current Financial year, another reason being Last year profits Include Profit on Transfer of Learnflix Business under Business Transfer which are not in the current year.
c. Debt service coverage ratio (in times)	Earnings available for debt service: = Net Profit after taxes + Non cash operating expenses + Interest -Non Cash Income- Profit on sale of Fixed Assets, etc.	Debt service = Interest and lease payments + Principal repayments	0.05	0.26	-80.48%	Last year profits Include Profit on Transfer of Learnflix Business under Business Transfer
d. Return on equity (in %)	Net profits after taxes – Preference dividend	Average shareholder's equity	-0.53	-0.27	96.59%	Last year Profit on Transfer of Learnflix Business under Business Transfer
e. Inventory turnover Ratio (in times)	Cost of goods sold or sales	Average inventory	1.35	0.27	400.12%	Due to inventory value being Nil at year end
f. Trade receivables turnover ratio (in times)	Net credit sales	Average accounts receivable	1.55	1.46	6.37%	
g. Trade payables turnover ratio (in times)	Net credit purchases	Average trade payables	0.004	0.04	-89.94%	No significant purchase during the year and creditors worth Rs 80 Lakhs have been written back during the year.
h. Net capital turnover ratio (in times)	Net sales	Working capital	-0.08	-0.09	-16.42%	



i. Net profit ratio (in %)	Net profit	Net sales	-1.32	0.56	-335.20% Last year profit includes Profit on Transfer of Learnflix Business under Business Transfer
j. Return on capital employed (in %)	Earning before interest and taxes	Capital employed***	0.25	1.20	-78.76% Last year profit includes Profit on Transfer of Learnflix Business under Business Transfer
k. Return on investment #	$\frac{MV(T1) - MV(T0) - \text{Sum } [C(t)]}{C(t)}$		$\frac{MV(T0) + \text{Sum } [W(t) * C(t)]}{C(t)}$		

35 Relevant Additional Regulatory Information: (Other than disclosed in the respective notes)

- i The operating cycle of the company is assumed to be of twelve months in absence of clearly identifiable normal operating cycle assets/ liabilities have been classified as current/ non current.
- ii The company has utilised the borrowings from banks and financial institutions for the specific purposes for which it was taken.
- iii The company does not own any immovable property on the date of balance sheet and therefore the requirement of disclosures regarding the title deed is not applicable.
- iv The company does not own investment property on the date of balance sheet and therefore the requirement of disclosures regarding the fair value is not applicable.
- v The company has not revalued its PPE(including ROU asset) and its intangible assets during the year and hence disclosure regarding basis of revaluation is not applicable.
- vi The company has not granted any loans or advances in the nature of loans to promoters, directors, kmp and the related parties either severally or jointly with any other person which is either repayable on demand or without specifying any terms or period of demand and therefore requirement of disclosure of such loan/ advance is not applicable.
- vii No proceedings have been initiated or pending against the company for holding any benami property under the benami transactions (prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- viii Company has not borrowed any funds from the bank against the current assets of the company therefore the requirement of submission of quarterly returns is not applicable.
- ix Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.
- x The company has not done any transaction with struck off companies during the year.
- xi There is no charge or satisfaction of any charge which is not registered with ROC beyond the statutory period.
- xii The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with companies (restriction on number of layers) rules 2017.
- xiii Company has not applied any accounting policy retrospectively or has made a restatement of items in Financial statements or has reclassified items in the FS.
- xiv The Company have not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- xv The Company have not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xvi The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- xvii The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- xviii In view of non applicability of sec 135 of the Companies Act there is no requirement of disclosure of expenditure on Corporate Social Responsibility.
- xix The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the code becomes effective and the related rules to determine the financial impact are published.

36 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 : 10th May 2023

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

Himanshu Gupta
Himanshu Gupta
Director
DIN : 00054015

Dinesh Kumar Jhunjhnuwala
Dinesh Kumar Jhunjhnuwala
Director
DIN : 00282988

Manish Kumar Goyal
Manish Kumar Goyal
Company Secretary

UDIN 123547131B67YXEM8750

