

V.P.JAIN & ASSOCIATES

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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, 2019, 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, (“IndAS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit 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 specified under section 143(10) of the Act (SAs). 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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the IndAS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that,



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

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

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

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

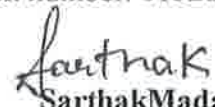
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. 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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- (g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For V. P. Jain & Associates
Chartered Accountants
Firm’s registration number: 015260N


SarthakMadaan
Partner

Membership number: 547131



Place: New Delhi
Date: 23-05-2019

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the DS Digital Private limited on the standalone financial statements for the year ended 31 March 2019, we report that:

- (i) In respect of fixed assets:

 - (a) The Company has maintained records showing particulars, including quantitative details and situation of fixed assets. Description / Model No. / Identification No. of Assets are not recorded in the register. It is informed that records are being updated.
 - (b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the said programme, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification. In respect of fixed assets given on operating lease to various school, company has initiated the process of physical verification of assets and is hopeful of completing the same within a span of 3 years. The reconciliation of physical verification with financial records is in progress and management has certified that this will be done in FY 2019-20 and adjustment entry if any shall be passed subsequently.
 - (c) Company does not have any immovable property and therefore requirements of title deeds as per para 3(i)(c) of the order are not applicable.
- (ii) In respect of its inventories:

 - (a) As explained to us, inventories have been physically verified during the year by the Management at close of the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3 (iii) of the Order is not applicable to the company.



- (iv) In our opinion and according to the information and explanations given to us and certified by the company loans and investments made are in compliance of section 185 and 186 of the Act.
- (v) According to the information and explanation given to us, the company has not accepted any deposits during the year.
- (vi) Requirement of maintenance of cost records are not applicable to the company.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has generally been regular in depositing undisputed statutory dues, including provident Fund, Employees State insurance, income tax, sales tax, service tax, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31.03.2019 for a period of more than six months from the date they became payable. During the year company has paid reimbursement of Rs.82.38 Lacs towards hiring of workforce through third party, evidence regarding the payment of statutory dues i.e PF /ESI is pending from the third party.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, value added tax, cess which have not been deposited as at 31.03.2019 on account of any dispute except as follows :

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

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



- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not paid/provided any managerial remuneration within the meaning of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.



For V. P. Jain & Associates
Chartered Accountants
Firm's registration number: 015260N

Sarthak
Sarthak Madaan
Partner

Membership number: 547131

Place: New Delhi
Date: 23-05-2019

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 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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: 23-05-2019

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, Tablet solution, Hands on lab, Language lab, Teacher training and Learning centres.

2. Significant Accounting Policies

2.1.1 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.

2.1.2 Basis of measurement

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

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

2.1.3 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 is 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



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DS DIGITAL PRIVATE LIMITED

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other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

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



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2.2 Property, Plants and Equipments

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

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



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2.3 Intangible Assets

- a) For transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets recognised as of April 01, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.
- b) Subsequent to transition date, Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.
- c) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably
- d) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.
- e) Intangible assets are amortised on a straight line basis over their estimated useful life. 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.

2.4 Impairment of Non-Financial Assets

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



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2.5 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



Handwritten signature: *Harvey*

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

Impairment of financial assets:-

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

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

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

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

II) Financial Liabilities

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

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

2.6 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.



J. Jain

Manish

Incentives on exports related to operations as provided by government are recognized in books after due consideration of certainty of utilization / receipt of such incentives

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

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

2.7 Employee Benefits

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

a) Short-term employee benefits

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

a) Post-employment benefits

i) Defined Contribution Plan

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

ii) Defined benefit plan

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

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

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

iii) Other long-term benefits

The Company has other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated



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term of obligations. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit and loss as income or expense. Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

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

2.8 Tax Expenses

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

Current tax

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

Deferred tax

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

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

Deferred tax liabilities are recognized for all taxable temporary differences.

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

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

2.9 Foreign commission expenses

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

2.10 Foreign Currency Translation

- i) Functional currency



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

ii) Initial Recognition

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

iii) Subsequent Recognition

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

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 is separately disclosed in notes to accounts.

2.11 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.

2.12 Borrowing Cost

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

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

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

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

2.13 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



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that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.14 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'.

2.15 Provisions and Contingencies

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

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

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

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

2.16 Lease

As a lessee:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.

Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.



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DS DIGITAL PRIVATE LIMITED
CIN: U72200DL2008PTC173250
Balance sheet as at 31 March 2019

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	3	109,339,268	118,674,453
Other intangible assets	4	186,829,857	163,490,315
Capital work-in-progress		-	-
Other intangible assets under development	4	18,529,321	23,287,551
Financial assets			
- Loans	5B	3,071,686	2,709,995
Deferred tax assets (net)	8	138,344,180	127,146,447
Other non-current assets	7	1,668,041	1,785,327
Total non-current assets		457,782,353	437,094,087
Current assets			
Inventories	6	4,244,080	3,767,212
Financial assets			
- Trade receivables	5A	82,562,289	82,476,421
- Cash and cash equivalents	5C	3,304,075	3,367,808
- Loans	5B	2,285,681	909,284
Other current assets	7	22,174,122	19,981,694
Total current assets		114,570,247	110,502,420
Total assets		572,352,600	547,596,507
Equity and liabilities			
Equity			
Equity share capital	9	347,289,200	347,289,200
Other equity	10	(271,830,371)	(203,620,978)
Total equity		75,458,829	143,668,222
Non-current liabilities			
Financial liabilities			
- Borrowings	11A	293,363,364	206,577,745
Provisions	14	5,048,048	5,419,832
Total non current liabilities		298,411,412	211,997,577
Current liabilities			
Financial liabilities			
- Borrowings	11B	86,084,139	88,840,220
- Trade payables	12	-	-
(a) Total outstanding dues of micro and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro and small enterprises		65,284,236	67,985,625
- Other financial liabilities	13	37,737,432	27,499,621
Other current liabilities	15	8,490,585	6,743,468
Provisions	14	885,967	861,773
Total current liabilities		198,482,359	191,930,707
Total equity and liabilities		572,352,600	547,596,507

Summary of significant accounting policies

2.1

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

For V. P. Jain & Associates
Chartered Accountants

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

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

Himanshu Gupta
Himanshu Gupta
Director
DIN : 00054015

Dinesh Kumar Jhunjhrawala
Dinesh Kumar Jhunjhrawala
Director
DIN : 00282988

Naveen Kundu
Naveen Kundu
Chief Executive Officer

Arvind Srivastava
Arvind Srivastava
Chief Financial Officer

Manish Kumar Goyal
Manish Kumar Goyal
Company Secretary

Place : New Delhi
Date :



DS DIGITAL PRIVATE LIMITED
CIN: U72200DL2008PTC173250
Statement of Profit and Loss for the period ended 31 March 2019

Particulars	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
I Revenue from Operations	16	20,13,45,796	21,82,68,817
II Other Income	17	1,43,36,569	1,27,41,305
III Total Income (I+II)		21,56,82,365	23,10,10,122
IV Expenses			
Purchases of Stock in trade	18	3,12,37,824	3,46,39,705
(Increase)/decrease in inventories of finished goods and stock in trade	19	(4,76,865)	38,04,506
Employee benefits expense	20	5,59,96,331	6,06,90,521
Selling and distribution expenses	21	4,86,55,720	5,45,86,746
Finance cost	22	3,71,99,777	2,49,56,512
Other expenses	23	6,02,51,990	5,83,50,430
Depreciation and amortisation expense	24	6,30,45,527	5,30,34,565
Total expenses		29,59,10,304	29,00,62,984
V Profit/(loss) before exceptional items and tax (I-II)		(8,02,27,940)	(5,90,52,861)
VI Exceptional item		-	-
VII Profit/(loss) before tax		(8,02,27,940)	(5,90,52,861)
VIII Tax expense:			
Current tax		-	-
Income tax adjustment related to earlier years		-	-
Deferred tax (credit)/ charge		(1,14,11,145)	(2,96,79,709)
Total tax expenses		(1,14,11,145)	(2,96,79,709)
IX Profit (Loss) for the period		(6,88,16,795)	(2,93,73,152)
X Other Comprehensive Income			
- Items that will not be reclassified to profit or loss	25		
Re-measurement gains/(losses) on defined benefit plans		8,20,814	28,667
Tax impact on re-measurement gain/ (losses) on defined benefit plans		(2,13,412)	(7,382)
XI Total Comprehensive Income for the period (IX + X)		(6,82,09,393)	(2,93,51,867)
(Comprising Profit (Loss) and Other Comprehensive Income for the period)			
XII Earnings per equity share:	26		
(1) Basic		(1.98)	(0.85)
(2) Diluted		(1.98)	(0.85)
Summary of significant accounting policies	2.1		

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

For V. P. Jain & Associates
Chartered Accountants

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

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

Himanshu Gupta
Himanshu Gupta
Director
DIN : 00054015

Dinesh Kumar Jhunjhnuwala
Dinesh Kumar Jhunjhnuwala
Director
DIN : 00282988

Naveen Kundu
Naveen Kundu
Chief Executive Officer

Arvind Srivastava
Arvind Srivastava
Chief Financial Officer

Manish Kumar Goyal
Manish Kumar Goyal
Company Secretary

Place : New Delhi
Date 23.05.2019



DS DIGITAL PRIVATE LIMITED

CIN: U72200DL2008PTC173250

Statement of changes in equity for the period ended 31 March 2019

A. Equity share capital:

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

B. Other equity

(Amount in ₹)

Particulars	Reserve & Surplus		Equity component of Non Cumulative Optionally Convertible Preference Share	Total
	General reserve	ESOPs reserve		
Balance as at 31st March, 2018	(39,03,12,472)	-	18,66,91,493	(20,36,20,978)
Changes in accounting policy / prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	(39,03,12,472)	-	18,66,91,493	(20,36,20,978)
Profit for the period	(6,88,16,795)	-	-	(6,88,16,795)
Other comprehensive income for the year	6,07,402	-	-	6,07,402
Total Comprehensive Income for the year	(6,82,09,393)			(6,82,09,393)
Changes during the period				
Balance as at 31 March 2019	(45,85,21,864)		18,66,91,493	(27,18,30,371)

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

As per our report of even date

For V. P. Jain & Associates
Chartered Accountants

Sarthak
Sarthak Madan
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 Jhunjhuwala
Dinesh Kumar Jhunjhuwala
Director
DIN : 00282988

Naveen Kundu
Naveen Kundu
Chief Executive Officer

Arvind Srivastava
Arvind Srivastava
Chief Financial Officer

Manish Kumar Goyal
Company Secretary
Manish Kumar Goyal

Place : New Delhi
Date 23.05.2019



DS DIGITAL PRIVATE LIMITED

CIN: U72200DL2008PTC173250

Cash flow statement for the year ended 31 March 2019

	31 March 2019 (Amount in Rs.)	31 March 2018 (Amount in Rs.)
Cash flow from operating activities		
Profit before tax	(80,227,940)	(59,052,861)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	63,045,527	53,034,565
Interest expense	37,199,777	24,956,512
Provision for Doubtful Debts	5,022,255	10,659,094
Amounts Written off	93,898	366,883
Loss on Foreign Exchange Fluctuations (Net)	(689,465)	1,257,891
Fair Value Gains on Financial Instruments	(108,647)	(113,188)
Employee Benefit Expenses	820,814	28,667
Other Adjustments	33,478	585,537
Operating profit before working capital changes	25,189,698	31,723,098
Movements in working capital :		
(Decrease)/increase in trade payables	(2,701,390)	(49,018,523)
(Decrease)/increase in provisions	(347,590)	961,127
(Decrease)/increase in other current liabilities	2,030,272	(3,394,021)
Decrease/(increase) in trade receivables	(4,795,711)	13,814,995
(Increase)/decrease in inventories	(476,869)	3,804,506
(Decrease)/increase in other current financial liabilities	2,293,810	(5,000,542)
(Increase)/ in Other financial Assets	(3,704,583)	(4,845,399)
Cash generated from operating activities	17,487,638	(11,954,759)
Direct taxes paid (net of refunds)	-	-
Net cash flow from operating activities (A)	17,487,638	(11,954,759)
Cash flows from investing activities		
Purchase of fixed assets, including capital work in progress and capital advances	(72,360,132)	(101,134,935)
Proceed from sale of fixed assets	35,000	-
Net cash used in investing activities (B)	(72,325,132)	(101,134,935)
Cash flows from financing activities		
Proceeds from long-term borrowings	86,785,619	92,277,738
Proceeds from short term borrowings	5,187,919	43,072,275
Interest paid	(37,199,777)	(24,956,512)
Net cash (used in)/flow from financing activities (C)	54,773,761	110,393,501
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(63,733)	(2,696,193)
Cash and cash equivalents at the beginning of the year	3,367,808	6,064,001
Cash and cash equivalents at the end of the year	3,304,075	3,367,808
Components of cash and cash equivalents		
Cash on hand	117,409	14,950
Balances with banks		
- on current account	3,186,666	3,352,858
Total cash and cash equivalents (note 16)	3,304,075	3,367,808

Summary of significant accounting policies

2.1

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

For V. P. Jain & Associates
Chartered Accountants


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

Place : New Delhi
Date :


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


Himanshu Gupta
Director
DIN : 00054015

Navin Kundra
Chief Executive Officer


Dinesh Kumar Jhunjhnuwala
Director
DIN : 00282988


Arvind Srivastava
Chief Financial Officer


Manish Kumar Goyal
Company Secretary



3. Property, plant and equipment

(Amount in ₹)

Particulars	Furniture & Fixtures	Office Equipment	Computers & Peripherals	Vehicles	Plant & Equipment	Total
Cost						
As at 31 March 2018	1,05,34,948	28,12,811	15,80,59,481	4,08,916	11,12,872	17,29,29,027
Additions	22,800	3,77,657	1,97,43,801	-	-	2,01,44,258
Disposals	-	(31,200)	(13,69,554)	-	-	(14,00,754)
As at 31 March 2019	1,05,57,747	31,59,268	17,64,33,728	4,08,916	11,12,872	19,16,72,531
Accumulated depreciation						
As at 31 March 2018	35,03,304	12,63,355	4,92,05,021	76,742	2,06,152	5,42,54,575
Charge for the Year	16,62,918	6,76,211	2,68,94,002	45,624	1,91,009	2,93,79,765
Deductions	(0)	-	(13,01,076)	-	-	(13,01,076)
As at 31 March 2019	51,66,223	19,39,566	7,47,97,947	1,22,366	3,07,161	8,23,33,263
Net block						
As at 31 March 2018	70,31,643	15,49,456	10,88,54,460	3,32,174	9,06,720	11,86,74,453
As at 31 March 2019	53,91,525	12,19,702	10,16,35,781	2,86,549	8,05,711	10,93,39,268

4. Intangible assets

Particulars	Intangible Assets under Development	Learning Content	Computer Software	Total
Gross block				
As at 31 March 2018	2,32,87,551	20,86,76,203	26,46,928	23,46,10,683
Purchases/internal development (Refer Note 4.1)	4,75,54,083	5,70,05,305	-	10,45,59,388
Disposals/Transferred to Block	(5,23,12,314)	-	-	(5,23,12,314)
As at 31 March 2019	1,85,29,321	26,56,81,508	26,46,928	28,68,57,756
Accumulated depreciation				
As at 31 March 2018	-	4,67,81,782	10,51,034	4,78,32,816
Amortization for the year	-	3,31,11,296	5,54,467	3,36,65,763
Deductions	-	-	-	-
As at 31 March 2019	-	7,98,93,078	16,05,501	8,14,98,579
Net block				
As at 31 March 2018	2,32,87,551	16,18,94,421	15,95,894	18,67,77,866
As at 31 March 2019	1,85,29,321	18,57,88,430	10,41,427	20,53,59,177

Note: Deemed cost as at April 1, 2016 is calculated as shown below:

Particulars	Learning Content	Computer Software	Total
Gross block	22,05,24,571	37,18,778	22,42,43,349
Accumulated depreciation	9,51,90,611	15,75,850	9,67,66,461
Deemed Cost as at 1 April 2016	12,53,33,960	21,42,928	12,74,76,888

4.1. Intangible Assets under Development includes Rs. 2,09,04,337/- [PY Rs 2,12,88,574/-] on account of employee benefit expenses

4.2. In the opinion of management each license sold contains all subjects and for all classes k-12 and hence revenue is generating by utilising all the digital content considering the same no exercise towards impairment of intangible assets is carried



J. C. Jain *Hanuman* *Manish*

5. Financial Assets

5A. Trade receivables

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Trade receivables	8,25,62,289	8,24,76,421
Unsecured, considered good *	3,63,16,810	4,43,20,452
Doubtful	11,88,79,100	12,67,96,873
Less: Allowance for expected credit loss		
Doubtful	(3,63,16,810)	(4,43,20,452)
	(3,63,16,810)	(4,43,20,452)
Net Trade receivables	8,25,62,289	8,24,76,421
Unsecured, considered good	-	-
Doubtful	8,25,62,289	8,24,76,421
Current	8,25,62,289	8,24,76,421
Non-Current	-	-

* In absence of confirmations considered good by the Management

5B. Loans

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Security deposits - Non Current (Refer Note 5B.1)	30,71,686	27,09,995
Security deposits - Current	22,85,681	9,09,284
Total Loans and Advances	53,57,367	36,19,279
Current	22,85,681	9,09,284
Non-Current	30,71,686	27,09,995
Unsecured, considered good	53,57,367	36,19,279
Unsecured, considered doubtful	-	-
	53,57,367	36,19,279
Less: Allowance for expected credit loss	-	-
	53,57,367	36,19,279

5B.1. Includes Rs 5 Lacs towards earnest money given in FY 2017-18, in the opinion of management it will be received in FY 2019-20

5C. Cash and cash equivalents

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Balances with banks	31,86,666	33,52,858
- In current accounts	1,17,409	14,950
Cash in hand	33,04,075	33,67,808
Total Cash and cash equivalents	33,04,075	33,67,808
Current	33,04,075	33,67,808
Non-Current	-	-

6. Inventories

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Raw materials	-	-
Work in progress	-	-
Stock-in-Trade (As taken, valued and certified by management)	42,44,077	37,67,212
	42,44,077	37,67,212
Less: Provision for slow & non moving stock	-	-
Total Inventories	42,44,077	37,67,212



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7. Other Assets

7A. Prepaid expenses

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Prepaid expenses (Non current)	5,68,041	6,85,327
Prepaid expenses (Current)	9,09,588	41,42,621
Total Prepaid expenses	14,77,629	48,27,948

7B. Other assets

Particulars	As at	
	31 March 2019	31 March 2018
Deposit with government authority (Refer Note 7B.1)	11,00,000	11,00,000
Advance Taxes, TDS & Other Receivable		
- TDS (FY15-16)	-	11,520
- TDS (FY16-17)	-	22,50,956
- TDS (FY17-18)	29,02,523	18,07,410
- TDS (FY18-19)	23,18,132	-
- Duty Credit Scrips	34,63,194	-
- Export Incentive (Refer Note 7B. 2)	56,16,530	67,29,904
- Service Tax/GST	13,17,231	17,85,130
Advance to Suppliers (Refer Note 7B. 3)	52,02,120	4,92,169
Advance to employees Imprest	4,44,804	27,61,985
Stipend Advance	-	-
Total Other assets	2,23,64,534	1,69,39,073
Current	2,21,74,122	1,99,81,694
Non-Current	16,68,041	17,85,327

7B.1 Paid towards levy of penalty of Rs 27.50 Lacs under UP VAT. The matter has been set aside by the Appellate Authority.

7B.2 Represents export incentive receivable for FY 2016-17, FY 2017-18 and FY 2018-19. In the opinion of management amount is considered good and management is hopeful that amount of Rs 20,37,779 (FY 2016-17) & Rs 12,28,930 (FY 2017-18) will be received in FY 2019-

7B.3 Includes Advance of Rs 43,86,023 to related party for development of learnflix app which will be launched in FY 2019-20 and advance will be adjusted through sharing of revenue.

8. Deferred taxes

Particulars	As at	
	31 March 2019	31 March 2018
Items leading to creation of deferred tax assets		
Impact of expenditure charged to the statement of profit and loss account in the current year but allowed for tax purposes on payment basis in subsequent years	16,18,39,243	12,21,90,308
Others		
Impact of Ind AS adjustments	1,11,97,733	2,96,72,328
Total deferred tax assets	17,30,36,976	15,18,62,636
Items leading to creation of deferred tax liabilities		
Fixed assets: impact of differences between tax depreciation and depreciation/ amortization charged in the financial statements	3,46,92,797	2,47,16,189
Impact of Ind AS adjustments	-	-
Total deferred tax liabilities	3,46,92,797	2,47,16,189
Net deferred tax assets/(liabilities)	13,83,44,180	12,71,46,447

8.1 In view of pending merger of company with S Chand & Company Ltd and virtual probability of earning temporary tax differences in future, deferred tax assets has been created.



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DS DIGITAL PRIVATE LIMITED
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Notes to financial statement as at 31 March 2019

9. Share Capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised 3,70,00,000 (31 March 2018: 3,70,00,000) equity shares of Rs 10/- each	370,000,000	370,000,000
Issued, subscribed and fully paid up 3,47,28,920 (31 March 2018: 3,47,28,920) equity shares of Rs 10/- each	347,289,200	347,289,200
	<u>347,289,200</u>	<u>347,289,200</u>

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

Equity shares	Numbers	Amount in Rs.
Issued, subscribed and fully paid up		
As at 31 March 2018	34,728,920	347,289,200
Increase/(Decrease) during the year	-	-
As at 31 March 2019	<u>34,728,920</u>	<u>347,289,200</u>

b. Terms/ rights attached to equity shares

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

c. Shares held by holding company and their subsidiaries

	31 March 2019 (Rs.)	31 March 2018 (Rs.)
S Chand And Company Limited (formerly S Chand and Company Private Limited)	176,867,500	176,867,500
Safari Digital Education Initiatives Pvt Ltd	170,371,650	170,371,650

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

	No. of shares held	% of holding
S Chand And Company Limited	17,686,750	50.93%
Safari Digital Education Initiatives Pvt Ltd	17,037,165	49.06%

10. Other Equity

Particulars	As at 31 March 2019	As at 31 March 2018
Retained earning		
Balance as the Beginning of reporting period	(390,312,472)	(361,546,142)
Add: Surplus during the year	(68,816,795)	(29,373,152)
Add: Other Comprehensive income	607,402	21,285
Add: Prior Period Errors	-	585,537
Balance as the end of reporting period (A)	<u>(458,521,864)</u>	<u>(390,312,472)</u>
Equity component of preference shares		
Equity component (I Preference shares)	26,691,493	26,691,493
Equity component (II Preference shares)	160,000,000	160,000,000
Balance as the end of reporting period (B)	<u>186,691,493</u>	<u>186,691,493</u>
Total (A+B)	<u>(271,830,371)</u>	<u>(203,620,979)</u>



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I Preference shares

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

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

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

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

Convertible Preference share shall carry voting rights as per the provisions of Section 47(2) of the Act; After 5 years, if not converted into Equity Shares then it shall be mandatorily re-deemed.

1% optionally convertible non-cumulative Preference Shares

Particulars	As at 31 March, 2019	As at 31 March, 2018
As per last Balance Sheet	61,704,000	61,704,000
Changes during the year	-	-
Balance at end of year	61,704,000	61,704,000

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
Preference shares at the beginning of the year	6,170,400	6,170,400
Add: Issue of Shares	-	-
Preference shares at the end of the year	6,170,400	6,170,400

The details of shareholders holding more than 5% shares in the Company including those held by holding company and Subsidiaries of holding company:

Name of Shareholders	As at 31 March, 2019	As at 31 March, 2018
Safari Digital Education Initiatives Private Limited (100 % shareholding)	6,170,400	6,170,400
	6,170,400	6,170,400

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 a winding up or repayment of capital.

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

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

Convertible Preference share shall carry voting rights as per the provisions of Section 47(2) of the Act; After 5 years, if not converted into Equity Shares by the Holder then it shall be mandatorily re-deemed.

1% optionally convertible non-cumulative Preference Shares

Particulars	As at 31 March, 2019	As at 31 March, 2018
As per last Balance Sheet	160,000,000	160,000,000
Changes during the year	-	-
Balance at end of year	160,000,000	160,000,000

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
Preference shares at the beginning of the year	16,000,000	16,000,000
Add: Issue of Shares	-	-
Preference shares at the end of the year	16,000,000	16,000,000

The details of shareholders holding more than 5% shares in the Company including those held by holding company and Subsidiaries of holding company:

Name of Shareholders	As at 31 March, 2019	As at 31 March, 2018
S Chand And Company Limited (100 % shareholding)	16,000,000	16,000,000
	16,000,000	16,000,000



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11. Borrowings

11A. Non-current borrowings

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Secured Loans		
Indian rupee loan from others (Siemens Financial Services Pvt Ltd) {Refer Note No 11A.1}	4,35,50,127	3,61,50,585
Unsecured Loans		
Preference Shares - Liability component	5,50,92,860	4,91,90,051
Loan from related party		
- Safari Digital Education Initiatives Pvt. Ltd. (Refer Note No 11A.2)	5,66,19,475	6,14,58,279
- S Chand & Company Limited (Refer Note No 11A.3 & 11A.7)	7,49,77,662	4,36,36,602
- Eurasia Publishing House Pvt. Ltd. (Refer Note No 11A.4 & 11A.7)	57,74,696	52,66,395
- Chayya Prakashini Private Limited (Refer Note No 11A.5)	5,18,86,129	-
- Nirja Publishers and Printers Pvt. Ltd. (Refer Note No 11A.6 & 11A.7)	2,86,36,054	2,61,05,471
Total Non-current borrowings	31,65,37,003	22,18,07,383
Less : Current Maturities of long Term Borrowings	2,31,73,639	1,52,29,638
Current Non Current	29,33,63,364	20,65,77,745

11A.1. Secured loans are charged against the Movable Fixed Assets of the Company.

11A.2. Includes Interest Bearing Loan for Rs 5,36,00,000/- (PY Rs.5,36,00,000/-) and interest accrued of Rs. 30,19,475/- (PY 78,58,279/-)

11A.3. Optionally Convertible Loan amount Rs. 7,20,92,150/- (PY Rs 4,25,53,450/-) & Interest accrued Rs.28,85,512/- (PY Rs.10,83,152/-)

11A.4. Optionally Convertible Loan amount Rs. 55,08,933/- (PY Rs 50,00,000/-) & Interest accrued Rs. 2,65,763/- (PY Rs.2,66,395/-)

11A.5. Optionally Convertible Loan amount Rs. 5,00,00,000/- (PY Rs NIL/-) & Interest accrued Rs.18,86,129/- (PY Rs.NIL/-)

11A.6. Optionally Convertible Loan amount Rs. 2,73,18,158/- (PY Rs 2,50,00,000/-) & Interest accrued Rs.13,17,896/- (PY Rs.11,05,471/-)

11A.7. During the year interest of following amounts have been capitalised

(a) Nirja Publishers and Printers Pvt. Ltd. : Rs 23,18,158/-

(b) S Chand & Company Limited : Rs 45,38,700/-

(c) Eurasia Publishing House Pvt. Ltd. Rs 5,08,933/-



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DS DIGITAL PRIVATE LIMITED

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Notes to financial statement as at 31 March 2019

11B. Current borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Secured:		
Cash credit from banks - (Refer Note 11B.1)		
Standard Chartered Bank	4,21,75,144	4,92,33,499
Unsecured :		
Loans from related parties-		
Safari Digital Education Initiatives Pvt Ltd	0	19,72,396
S Chand & Co. Ltd (Running account) (Refer Note 11B.2.)	3,59,09,433	3,03,29,047
Blackie & Sons (Calcutta) Pvt Ltd (Refer Note 11B.3.)	79,99,561	73,05,278
Total	8,60,84,139	8,88,40,220
Secured	4,21,75,144	4,92,33,499
Unsecured	4,39,08,994	3,96,06,721

11B.1. Exclusive charge on entire current assets and movable fixed assets (except assets which are exclusively charged under equipment financing).

11B.2. Running Account with S Chand and Company Ltd. is interest free.

11B.3. Interest capitalised during the year include the following

- Balckie & Sons (Calcutta) Pvt Ltd. : Rs 10,15,478

12. Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
Non-Current		
Trade payables other than micro enterprises and small enterprises	-	-
Current		
Total outstanding dues of micro enterprises and small enterprises: and (Refer Note 12.1)	-	-
Total outstanding dues of creditors other than micro enterprises & small enterprises	6,52,84,236	6,79,85,625
Total Trade payables	6,52,84,236	6,79,85,625
Current	6,52,84,236	6,79,85,625
Non-Current	-	-

12.1 During the year company has asked for the information regarding particulars of Micro and Small Enterprises till date of audit, company has not received any information from the vendors.



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Notes to financial statement as at 31 March 2019

13 Other financial liabilities

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Expenses Payables (Refer Note 13.1)	89,55,837	63,28,897
Employee salary Payable	33,83,373	38,71,980
Current maturities of long-term Borrowings	2,31,73,639	1,52,29,638
Other financial liabilities (Employees Imprest)	22,24,583	20,69,106
Total other financial liabilities	3,77,37,432	2,74,99,621
Current	3,77,37,432	2,74,99,621
Non current	-	-

13.1. Includes Content fee of Rs 29.65 Lakh provided on the basis of agreement pending receipt of actual invoice from the supplier

14 Provisions

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Provision for retirement benefits		
	Gratuity	30,87,904
	Leave Encashment	32,33,755
		28,46,111
Total Provisions	59,34,015	62,81,605
Current	8,85,967	8,61,773
Non current	50,48,048	54,19,832

15 Other liabilities

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Other payables:		
Statutory dues	42,76,344	23,29,954
Advance from customers (as certified by management)	42,14,241	44,13,514
Total Other liabilities	84,90,585	67,43,468
Current	84,90,585	67,43,468
Non current	-	-



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16. Revenue From Operations

Particulars	(Amount in ₹)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products		
Finished goods	4,01,90,957	3,84,12,674
Sale of services (Refer Note 16.1, 16.2 and 16.3)	15,88,05,019	17,60,53,848
Other Operating Revenues		
Export Incentive	23,49,820	38,02,295
Total revenue from operations	20,13,45,796	21,82,68,817
Detail of sale of services		
Domestic		
Customized Interactive Education Services	9,29,77,819	10,55,60,343
Income From Pre School Educational Activity	1,40,88,517	1,56,59,156
Export		
Customised Interactive Education Services	5,17,38,683	5,48,34,349
	15,88,05,019	17,60,53,848

16.1 Includes Rs 32.70 Lacs [PY Rs.80.75 Lacs] pertaining to the next financial year.

16.2 Sales of Content made to Channel Partner in March 2018 for perpetual content for Students amounting to Rs. 63.51 Lacs have been reversed in June 2018 as the company and channel partner couldn't execute the project due to internal Management issues at the School

16.3. Includes Professional Development fee of Rs 4.41 Lakhs for importing training at Abu Dhabi certified by management.

17. Other Incomes

17.1 Finance Income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income -		
- on fixed deposits	-	2,733
- on income tax refund	1,96,193	-
Total finance income	1,96,193	2,733

17.2 Other Income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Provision reversed on account of Actual Bad Debt	1,30,25,897	1,16,55,548
Fair Value Gain on Security Deposit	4,07,672	1,13,188
Other Income	7,06,807	9,69,836
Total other income	1,41,40,376	1,27,38,572



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18. Purchase & implementation cost

Particulars	(Amount in ₹)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Computer & Peripherals	3,06,67,824	3,35,19,705
English Labs (Kit)	5,70,000	11,20,000
Total Purchase & implementation cost	3,12,37,824	3,46,39,705

19. (Increase)/Decrease in Inventories

Particulars	(Amount in ₹)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the beginning of the year		
Trade Items	37,67,212	75,71,718
Inventories at the end of the year		
Trade Items	42,44,077	37,67,212
(Increase)/decrease in inventories	(4,76,865)	38,04,506

20. Employee Benefits Expenses

Particulars	(Amount in ₹)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, Wages, Allowances	4,33,87,716	5,19,28,911
Provident Fund & ESI	27,24,628	36,82,342
Staff Welfare and Medical Insurance	11,77,626	12,52,562
Gratuity	9,70,490	9,97,264
Leave encashment	5,67,401	10,85,760
Bonus and Exgratia	7,82,508	10,56,430
Other Benefits to Staff	63,85,962	6,87,252
Total employee benefits expenses	5,59,96,331	6,06,90,521

21. Selling and Distribution Expenses

Particulars	(Amount in ₹)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Advertisement and conference expenses	36,67,431	33,87,558
Travelling and boarding expenses	1,72,04,150	2,05,16,516
Freight, cartage and installation expenses	53,67,548	30,30,532
Marketing & commission expenses	2,22,42,758	2,74,53,393
Business promotion	1,73,833	1,98,747
Total selling and distribution expenses	4,86,55,720	5,45,86,746

22. Finance Cost

Particulars	(Amount in ₹)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest Expense	3,06,18,674	1,87,80,969
Fair Value Loss on Preference Shares	59,02,808	52,70,363
Bank Charges	6,78,294	9,05,180
Total finance cost	3,71,99,777	2,49,56,512



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Notes to financial statements for the period ended 31 March 2019

23. Other Expenses

Particulars	(Amount in ₹)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Lease rental - operating lease	-	1,39,558
Foreign Exchange Rate Difference	(6,89,465)	12,57,891
Office Expense	41,80,023	40,16,502
Professional /Consultancy charges	54,46,618	35,88,828
Conveyance Expenses	3,46,341	3,69,422
Electricity & Genset Expenses	19,55,886	17,95,131
Repair & Maintenance	83,01,718	72,85,538
Office Stationery	3,40,640	7,40,088
Telephone	8,25,762	12,27,876
Rent expenses	88,45,045	89,42,127
Auditor's Remuneration	3,50,000	5,50,000
Amount written off (Refer Note 23.3)	3,77,053	3,66,883
Insurance Expenses	1,48,483	1,96,659
Rates & Taxes	49,437	74,213
Bad Debts Written Off	1,30,25,897	1,16,55,548
School Van Running Expns	18,69,011	20,55,946
Miscellaneous Expenses (Refer Note 23.1)	95,24,783	34,29,127
Provision for Doubtful Debt for Expected Credit Loss	50,22,255	1,06,59,094
Fair Value Loss on Security Deposit	2,99,025	-
Loss on Sales of Assets	33,478	-
Total other expenses	6,02,51,990	5,83,50,430

23.1. It includes Security Charges Rs. 12.82 lacs (PY: Rs.14.10 lacs), courier charges Rs 10.21 lacs (PY: Rs. 6.45 lacs), computer expenses Rs 6.25 lacs (PY : Rs 2.35 lacs), Prior period expenses for Rs 2.46 Lacs and shared management services as certified by management to holding company Rs 51.67 Lacs (PY: Nil), collection incentive Rs 6.19 Lac (PY :Rs 6.47 Lacs)

23.3. Includes TDS receivable written off for Rs 1.16 Lacs (PY: Nil), amounts written off Rs 2.61 Lacs (PY: Rs 4.15 Lacs)

Payment to auditor

Particulars	(Amount in ₹)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor		
For Audit	3,50,000	5,50,000
Reimbursement of expenses	2,00,000	-
	5,50,000	5,50,000

24. Depreciation and Amortisation Expenses

Particulars	(Amount in ₹)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant & equipment	2,93,79,765	2,78,38,961
Amortisation of intangible assets	3,36,65,763	2,51,95,604
Total depreciation and amortisation expenses	6,30,45,527	5,30,34,565

25. Components of Other Comprehensive Income (OCI)

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

During the year ended 31st March 2019

Particulars	(Amount in ₹)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Re-measurement gains/(losses) on defined benefit plans	8,20,814	28,667
Tax impact on re-measurement gains/(losses) on defined benefit plans	(2,13,412)	(7,382)
	6,07,402	21,285

26. Earnings per share

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

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

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

Particulars	(Amount in ₹)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Net Loss after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	(6,88,16,795)	(2,93,51,867)
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	3,47,28,920	3,47,28,920
Basic Earnings per share	(1.98)	(0.85)
Diluted Earnings per share	(1.98)	(0.85)
Face Value per equity share	10	10

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



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Notes to financial statements for the period ended 31 March 2019

27 Defined benefit plans:

A. Gratuity

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

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

The following table sets out for the status of gratuity plan

	2018-19	2017-18
I		
Change in present value of defined benefit obligation during the year		
Defined Benefit Obligation as of Prior Year	32,33,755	27,81,033
Service Cost :-		
Current service cost	7,42,545	7,99,068
Past service cost		14,928
Interest Cost	2,27,945	1,83,268
Benefit payments directly by employee	(2,95,527)	(5,15,875)
Actuarial (Gain) / Loss - Demographic		
Actuarial (Gain) / Loss - Financial	48,061	(91,912)
Actuarial (Gain) / Loss - Experience	(8,68,875)	63,245
Defined Benefit Obligation at the end of Current Year	30,87,904	32,33,755
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	32,33,755	27,81,033
Defined benefit cost included in P&L	9,70,490	9,97,264
Total remeasurements included in OCI	(8,20,814)	(28,667)
Direct benefit payments by Employee	(2,95,527)	(5,15,875)
Net defined benefit liability (asset) - end of period	30,87,904	32,33,755
IV		
Expense recognised in the statement of profit or loss during the year		
Service cost	7,42,545	8,13,996
Net interest cost	2,27,945	1,83,268
Total expense recognised in the employee benefit expense	9,70,490	9,97,264
V		
Recognised in other comprehensive income for the year		
Cumulative OCI - (Income)/Loss, Beginning of Period	62,672	91,339
Total remeasurements included in OCI	(8,20,814)	-28,667
Cumulative OCI - (Income)/Loss, End of Period	(7,58,142)	62,672
VI		
Maturity profile of defined benefit obligation		
Year 1	3,77,023	3,48,189
Year 2	4,23,226	4,05,774
Year 3	4,23,833	4,31,973
Year 4	3,97,075	4,37,752
Year 5	5,58,158	4,11,422
Year 6 to 10	12,40,661	16,02,316
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	32,59,322	34,22,585
Discount rate + 100 basis points	29,33,181	30,63,562
Impact of change		
Discount rate - 100 basis points	(1,71,418)	(1,88,830)
Discount rate + 100 basis points	1,54,723	1,70,193
b) Impact of change in salary		
Present Value of obligation at the end of the period		
Rate - 100 basis points	2931493	30,59,791
Rate + 100 basis points	3254625	34,21,156
Impact of change		
Discount rate - 100 basis points	1,56,411	1,73,964
Discount rate + 100 basis points	(1,66,721)	(1,87,401)
VIII		
Actuarial assumptions		
Discount Rate	7.15%	7.45%
Future salary increase	6.00%	6.00%
Retirement Age (years)	60 Years	60 Years
Mortality rates inclusive of provision for disability	IALM (2006-08)	IALM (2006-08)
Withdrawal rate	15%	15%

The actuarial valuation of the present valuation of defined benefit obligation were carried out as at March 31, 2019. 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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DS DIGITAL PRIVATE LIMITED

CIN: U72200DL2008PTC173250

Notes to financial statements for the period ended 31 March 2019

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

	2018-19	2017-18
I	Particulars	
	Change in present value of defined benefit obligation during the year	
	Defined Benefit Obligation as of Prior Year	25,60,815
	Service Cost :-	
	Current service cost	9,89,968
	Interest Cost	1,63,362
	Benefit payments directly by employe	(5,98,725)
	Actuarial (Gain) / Loss - Demographic	
	Actuarial (Gain) / Loss - Financial	(78,161)
	Actuarial (Gain) / Loss - Experience	10,591
	Defined Benefit Obligation at the end of Current Year	30,47,850
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	25,60,815
	Defined benefit cost included in P&L	10,85,760
	Total remeasurements included in OCI	-
	Direct benefit payments by Employer	(5,98,725)
	Net defined benefit liability (asset) - end of period	30,47,850
IV	Expense recognised in the statement of profit or loss during the year	
	Service cost	9,89,968
	Net interest cost	1,63,362
	Immediate recognition of loss	(67,570)
	Total expense recognised in the employee benefit expense	10,85,760
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	5,13,584
	Year 2	3,71,096
	Year 3	3,33,963
	Year 4	3,00,527
	Year 5	2,70,418
	Year 6 to 10	10,49,831
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	32,08,364
	Discount rate + 100 basis points	29,02,953
	Impact of change	
	Discount rate - 100 basis points	(1,60,514)
	Discount rate + 100 basis points	1,44,897
	b) Impact of change in salary	
	Present Value of obligation at the end of the period	
	Rate - 100 basis points	28,99,742
	Rate + 100 basis points	32,09,040
	Impact of change	
	Discount rate - 100 basis points	1,48,108
	Discount rate + 100 basis points	(1,61,190)
VIII	Actuarial assumptions	
	Discount Rate	7.45%
	Future salary increase	6.00%
	Retirement Age (years)	60 Years
	Mortality rates inclusive of provision for disability	60 Years
	Withdrawal rate	15%



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28 Deferred tax assets (net)

- a. 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	As at	As at
	March 31, 2019	March 31, 2018
At start of year	12,71,46,447	9,74,74,119
Credit to Statement of Profit and Loss	1,11,97,733	2,96,72,328
At the end of year	13,83,44,180	12,71,46,447

Deferred tax assets at the end of the reporting period and deferred tax credit in Statement of Profit and Loss and Other Comprehensive Income

Particulars	As at April 1, 2018	Credit to profit or loss	As at March 31, 2019
Deferred tax asset in relation to:			
Property, plant and equipment	(3,46,92,797)	40,32,060	(3,06,60,736)
Carried Forward Losses	5,22,26,897	(40,01,003)	4,82,25,895
Unabsorbed Depreciation	9,63,68,816	1,34,24,990	10,97,93,807
Provisions	1,32,43,529	(22,58,315)	1,09,85,215
	12,71,46,446	1,11,97,733	13,83,44,180

b.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Income tax recognised in Statement of Profit and Loss		
Deferred tax		
In respect of the current year	1,11,97,733	2,96,72,328
Total income tax expenses recognised in the current year	1,11,97,733	2,96,72,328

The income tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Loss before tax	1,84,92,401	51,506
Applicable Tax Rate	26.00%	25.75%
Computed Tax Expense	1,11,97,733	2,96,72,328
Tax effect of :		
Expenses subject to timing difference	4,30,68,205	11,52,32,342
Tax impact on Expenses not allowed	1,11,97,733	2,96,72,328
Tax Expenses recognised in Statement of Profit and Loss	(1,11,97,733)	(2,96,72,328)



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29 Due to Micro, small and medium enterprises as defined under the MSMED Act, 2006:

The Company has requested its various suppliers, who may be the enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, to furnish the relevant registration certificate under that Act, but the said information is yet to be received till date, and hence, in absence of the same, no specific amount of outstanding on account of purchases made / services

30 **Contingent Liabilities**

Particulars	As at	
	March 31st, 2019	March 31st, 2018
Claims against the Company not acknowledged as debts		
1. VAT claim by U P VAT Act.	2,750,000	2,750,000
2. Contractual Obligations	-	2,037,000
	<u>2,750,000</u>	<u>4,787,000</u>

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

31 **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

- Related parties and their relationship
 - Holding Company
 - Associate Companies / Firms
 - Companies under same Management
- Director's Substantial Shareholdings
 - S Chand And Company Limited
 - Safari Digital Education Initiatives Pvt Ltd
 - Blackie & Son (Calcutta) Pvt Ltd
 - Editor Technologies India Pvt Ltd
 - Eurasia Publishing House Pvt Ltd
 - New Saraswati House (India) Pvt Ltd
 - Nirja Publishers and Printers Pvt Ltd
 - Vikas Publishing House Pvt Ltd
 - S. Chand EduTech Pvt Ltd
 - Chitaya Prakashani Private Limited
 - Indian Progressive Publishing Co. Pvt Ltd
 - BPI (India) Private Limited
 - Hotel Tourist
 - SC Hotel Tourist Deluxe Pvt Ltd
 - S Chand Properties Pvt. Ltd
 - S. Chand Hotels Pvt. Ltd
 - Shaara Hospitality Pvt Ltd
 - HMR Sports Ventures Pvt. Ltd.
 - Amenity Sports Academy Pvt. Ltd
 - Amenity Public School
 - Mr. Himanshu Gupta
 - Mr. Dinesh Kumar Jhunjhunwala
 - Mr. Deep Mishra (Resigned w.e.f. 02.11.2018)
 - Mr. Manish Kumar Goyal, Company Secretary (Appointed w.e.f. 17.05.2018)
 - Mr. Rajagopalan Chandrashekar, Independent Director (Appointed w.e.f. 07.08.2018)
 - Mr. Arvind Srivastava, Chief Financial Officer (Appointed w.e.f. 11.02.2019)
 - Dr. Atul Nischal, Independent Director (Resigned w.e.f. 25.05.2018)
 - Mr. Brahmdukt Sharma, Chief Financial Officer (Resigned w.e.f. 13.04.2018)
 - Mr. Shradha Talwar, Independent Director
 - Mr. Naveen Kundu, CEO
- Key Management Personnel



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Nature of Transaction	Holding Company		Associates		K's Managerial Personnel & their relatives		Companies under Same Management		Directors Substantial Shareholdings		TOTAL
	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	
Reimbursement of Expenses S Chand And Company Limited		90,948									90,948
Sale of Product/Services S Chand And Company Limited New Saraswati House (India) Private Limited		1,950,519					738,385				3,950,519 738,385
Loans and Advances Received S Chitra And Company Limited Syaal Publishers and Printers Pvt Ltd Blackie & Son (Calcutta) Pvt Ltd Ramesh Publishing House Pvt Ltd Chitra Prakashan Private Limited	25,000,000	42,553,450					25,000,000 16,500,000 3,000,000				25,000,000 42,553,450 25,000,000 16,500,000 3,000,000 5,000,000
Repayment of Loans and Advances received Sardar Digital Education Initiatives Pvt Ltd Blackie & Son (Calcutta) Pvt Ltd							1,972,396	10,000,000			1,972,396 10,000,000
Purchase of Product/Services Mace T S Chand And Company Limited Ramesh Technologies India Pvt Ltd Sardar Digital Education Initiatives Pvt Ltd		12,042,157					4,027,395 147,300		318,034		318,034 4,027,395 147,300
Salaries, Perks and Allowances Naveen Kund Hemchandra Sharma						4,491,455 78,165					4,491,455 78,165
Other Expenses S Chand And Company Limited	5,167,025										5,167,025
Loans and Advances given Sardar Technologies Pvt. Ltd								7,500,000			7,500,000
Interest Expense Sardar Digital Education Initiatives Pvt Ltd Ramesh Publishing House Pvt Ltd Blackie & Son (Calcutta) Pvt Ltd New Publishers and Printers Pvt Ltd S Chand And Company Limited Chitra Prakashan Private Limited	7,045,622	1,203,504						6,432,000 295,994 771,427 894,754 1,228,300			6,432,000 295,994 771,427 894,754 1,228,300 7,045,622
Operating Lease S Chand And Company Limited		139,558						2,095,699			2,095,699
Short Term Loans and Advances received as at 31st March 2019 Blackie & Son (Calcutta) Pvt Ltd S Chand And Company Limited		35,909,433						7,999,561			7,999,561 15,909,833
Long Term Loans and Advances received as at 31st March 2019 S Chand And Company Limited New Publishers and Printers Pvt Ltd Syaal Publishers and Printers Pvt Ltd Sardar Digital Education Pvt Ltd Chitra Prakashan Private Limited	74,977,662	43,636,602					28,636,054 5,774,696 56,719,475 51,886,129	26,105,471 5,266,395 63,430,675			74,977,662 28,636,054 5,774,696 56,719,475 51,886,129
Short Term Loans and Advances given as at 31st March 2019 Sardar Technologies Pvt. Ltd								4,386,023	(1,477,322)		4,386,023 (1,477,322)
Trade Payables as at 31st March 2019 Hotel courses Sardar Digital Education Initiative Pvt. Ltd									98,817	162,355	98,817 162,355

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

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32 **Unhedged foreign currency exposure :-**

Particulars	31-Mar-19			31-Mar-18		
	(in ₹)			(in ₹)		
Trade receivables :-						
Qatari Riyal	44,65,667	QAR 234,998	19.00/- per QAR	76,25,522	QAR 426,000	17.90/- per QAR
UAE Dirhams	13,91,537	AED 73,900	18.83/- per AED	29,34,472	AED 165,600	17.72/- per AED
United States Dollar	-	-	-	9,40,163	USD 14,331	65.60/- per USD
Saudi Arab Riyal	-	-	-	7,81,123	SAR 45,000	17.36/- per SAR
Total	58,57,204			1,22,81,280		

33 **Financial Instruments - Accounting classifications and fair value measurement:**

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

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

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

The company uses the following hierarchy for determining and disclosing the fair value of 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.

	Carrying amount As at 31st 2019	Fair Value Level III
Financial assets at amortised cost		
Trade receivables	8,25,62,289	8,25,62,289
Cash and Bank balances	33,04,075	33,04,075
Loans	53,57,367	53,57,367
Total	9,12,23,731	9,12,23,731
Financial liabilities at amortised cost		
Borrowings	8,60,84,139	37,94,47,502
Trade payables	6,52,84,236	6,52,84,236
Other financial liabilities	3,77,37,432	3,77,37,432
Total	18,91,05,807	48,24,69,170

34 **Additional information**

	31/03/2019 Amount (Rs.)	31/03/2018 Amount (Rs.)
Earnings in foreign exchange:		
A. Export of goods /Services	5,17,38,683	5,48,34,349
	5,17,38,683	5,48,34,349
Expenditure in foreign currency:		
A. Traveling	50,37,925	39,26,201
B. Marketing/Branding & Commission	1,31,09,042	1,78,25,181
	1,81,46,967	2,17,51,382

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

For V. P. Jain & Associates
Chartered Accountants

Sarthak
Sarthak Madan
PARTNER
Membership No.: 347131
Fr. No.: 015260N

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

Himanshu
Himanshu Gupta
Director
DIN : 00054015

Harenderkumar
Harender Kumar
Chief Executive Officer

Dinesh Kumar
Dinesh Kumar Jhurjhuwala
Director
DIN : 00282988

Arvind Srivastava
Arvind Srivastava
Chief Financial Officer

Manish Kumar Goyal
Manish Kumar Goyal
Company Secretary

Place : New Delhi

Date : 23.05.2019

