



## **MADAN & ASSOCIATES**

CHARTERED ACCOUNTANTS

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### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF S. CHAND EDUTECH PRIVATE LIMITED**

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

#### **Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing 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 there under, 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 Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

### **Management's Responsibility for the Standalone Financial Statements**

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

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



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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, relying on management view as mentioned in Note 2.1, 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. With respect to matter to be included in the Auditor's report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration to its directors for the year ended March 31, 2020. Therefore provision of section 197 (16) are not applicable.

3. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- (c) the balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
- (g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

*For Madan & Associates*

*Chartered Accountants*

Firm’s registration number: 000185N



*M. K. Madan*

**M. K. Madan**

*Proprietor*

Membership number: 082214

Place: New Delhi

Date: 17.06.2020

UDIN: 20082214AAAAAT4198

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

The Annexure referred to in Independent Auditors' Report to the members of the **S Chand Edutech Private Limited** on the standalone financial statements for the year ended 31 March 2020, we report that:

- (i) In respect of fixed assets:
  - (a) The Company has maintained records showing particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the said programme, it is certified by the management that certain fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification. We have relied upon the management.
  - (c) Company does not have any immovable property and therefore requirements of title deeds as per para 3(i)(c) of the order are not applicable.
- (ii) As explained to us, inventories have been physically verified at the end of the year by the Management and no material discrepancies noted on such verification. We could not take the physical verification due to Covid-19 Pandemic lockdown.
- (iii) The Company has not granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans and made any investment within the meaning of section 185 & 186 of the Act. Thus, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanation given to us, the company has not accepted any deposits during the year.
- (vi) Requirements of maintenance of cost records are not applicable to the company.



- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has generally been regular in depositing undisputed statutory dues, including provident Fund, income tax, service tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31.03.2020 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no dues of income tax, service tax, cess which have not been deposited as at 31.03.2020 on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not borrowed any loans from a financial institution, banks, Government during the year and hence requirement of para 3(viii) of the order regarding the repayment of loans is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- (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 preferential allotment / private placement of shares to company under same management.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

*For Madan & Associates*

*Chartered Accountants*

Firm's registration number: 000185N



*M.K. Madan*

**M. K. Madan**

*Proprietor*

Membership number: 082214

Place: New Delhi

Date: 17.06.2020

UDIN: 20082214AAAABT4198



## **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 **S Chand Edutech Private Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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



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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

*For Madan & Associates*

*Chartered Accountants*

Firm's registration number: 000185N



*M. K. Madan*

**M. K. Madan**

*Proprietor*

Membership number: 082214

Place: New Delhi

Date: 17.06.2020

UDIN: 20082214-AAAABT4198

Particulars	Notes	As at	
		31 March 2020	31 March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,526,530	3,132,549
Intangible assets	4A	65,779,185	26,702,275
Right to use Asset	4B	3,916,627	-
Intangible assets under development	4C	1,635,290	34,037,918
<b>Total non-current assets</b>		<b>73,857,632</b>	<b>63,872,742</b>
<b>Current assets</b>			
Inventories	6	18,437,207	8,449,189
Financial assets			
- Trade receivables	7A	124,283	9,231,088
- Loans	7B	-	458,350
- Cash and cash equivalents	7C	6,810,556	3,625,558
Other current assets	5	13,063,360	13,567,260
<b>Total current assets</b>		<b>38,435,407</b>	<b>35,331,444</b>
<b>Total assets</b>		<b>112,293,039</b>	<b>99,204,186</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	8	40,165,200	40,165,200
Other equity			
- Retained earnings	9	(78,614,825)	(48,210,259)
<b>Total equity</b>		<b>(38,449,625)</b>	<b>(8,045,059)</b>
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	10A	31,250,000	58,843,645
Lease Liability	13B	2,437,280	-
- Other financial liabilities	11	2,571,422	5,084,092
Net employee defined benefit liabilities	12	400,695	186,278
<b>Total non current liabilities</b>		<b>36,659,397</b>	<b>64,114,015</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	10B	43,829,892	-
- Lease Liability	13B	1,589,524	-
- Trade payables	14		
- micro enterprises and small enterprises			
- other than micro enterprises and small enterprises		58,101,069	39,549,747
- Other financial liabilities	11	4,719,621	-
Net employee defined benefit liabilities	12	625	141,951
Other current liabilities	13A	5,842,535	3,443,532
<b>Total current liabilities</b>		<b>114,083,267</b>	<b>43,135,230</b>
<b>Total equity and liabilities</b>		<b>112,293,039</b>	<b>99,204,186</b>
Summary of significant accounting policies	2.1		

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

For Madan & Associates  
Chartered Accountants  
Firm Registration No. 000185N

*M.K. Madan*

M.K. Madan  
Proprietor  
Membership No. 082214

Place : New Delhi  
Date : 17-06-2020



For and on behalf of the Board of Directors of  
S. Chand Edutech Private Limited

*Himanshu Gupta*  
Himanshu Gupta  
Director  
DIN: 00054015

*Saurabh Mittal*  
Saurabh Mittal  
Director  
DIN: 01402533

S. Chand Edutech Private Limited  
CIN: U80302DL2010PTC206251  
Statement of Profit and Loss for the year ended 31 March 2020

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
I Revenue from Operations	15	19,560,207	12,051,142
II Other Income	16	71,859	199,060
III Total Income		<u>19,632,066</u>	<u>12,250,203</u>
IV Expenses			
Purchases of goods	17	11,956,994	9,940,404
(Increase)/ Decrease in Inventories	18	(9,988,018)	(8,449,189)
Selling & distribution expenses	19	700,822	5,937,598
Employee benefits expense	20	7,718,912	5,515,979
Finance cost	21	7,946,913	4,149,653
Depreciation and amortisation expense	22	7,419,523	7,531,984
Other expenses	23	24,288,702	6,079,642
Total expenses		<u>50,043,847</u>	<u>30,706,071</u>
V Profit/(loss) before tax (III-IV)		<b>(30,411,781)</b>	<b>(18,455,868)</b>
VI Tax expense:			
Current tax		-	-
Income tax adjustment related to earlier years		-	-
Deferred tax (credit)/ charge		-	-
Total tax expenses		<u>-</u>	<u>-</u>
VII Profit (Loss) for the period (V-VI)		<b>(30,411,781)</b>	<b>(18,455,868)</b>
VIII Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	24		
Re-measurement (gains)/losses on defined benefit plans		(7,216)	80,054
(ii) Income Tax related to items that will not be reclassified to profit or loss			
IX Total Comprehensive Income for the period (VII+VIII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		<u><b>(30,404,565)</b></u>	<u><b>(18,535,922)</b></u>
X Earnings per equity share:	25		
(1) Basic		(10.93)	(6.63)
(2) Diluted		(10.93)	(6.63)
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 Madan & Associates  
Chartered Accountants  
Firm Registration No. 000185N

*M.K. Madan*

M.K Madan  
Proprietor  
Membership No. 082214

Place : New Delhi  
Date : 17-06-2020

For and on behalf of the Board of Directors of  
S. Chand Edutech Private Limited

*Himanshu Gupta*  
Himanshu Gupta  
Director  
DIN: 00054015

*Saurabh Mittal*  
Saurabh Mittal  
Director  
DIN: 01402533



Cash flow statement for the period ended 31 March 2020

	Notes	As at 31 March 2020	As at 31 March 2019
<b>(Amount in ₹)</b>			
<b>A. Cash flow from operating activities</b>			
Profit before tax		(30,411,781)	(18,455,868)
Adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortization expense		7,419,523	7,531,984
(Profit)/loss on sale of fixed assets (net)		(3,247)	-
Interest income		-	-
Profit on sale of investment		-	(199,060)
Interest expense		7,628,573	4,128,825
<b>Operating profit before working capital changes</b>		<b>(15,366,932)</b>	<b>(6,994,120)</b>
Movement in working capital			
(Increase)/Decrease in trade receivables		9,106,805	(8,753,588)
(Increase)/Decrease in loans and advances		458,350	(106,200)
(Increase)/Decrease in other assets		503,900	(11,902,405)
Decrease/(increase) in inventories		(9,988,018)	(8,449,189)
Increase/(decrease) in trade payables		18,551,322	19,769,067
Increase/(decrease) in Interest payables		2,206,951	4,391,381
Increase/(decrease) in other liabilities		2,479,310	2,643,738
<b>Cash generated from operations</b>		<b>7,951,688</b>	<b>(9,401,316)</b>
Direct taxes paid (net of refunds)		-	-
<b>Net cash from operating activities</b>	(A)	<b>7,951,688</b>	<b>(9,401,316)</b>
<b>B. Cash flows from investing activities</b>			
Purchase of fixed assets including capital advances, capital creditors and capital work-in-progress		(12,433,919)	(44,472,890)
Proceeds from sale of fixed assets		68,413	-
Profit on sale of Investment		-	199,060
<b>Net cash used in investing activities</b>	(B)	<b>(12,365,506)</b>	<b>(44,273,830)</b>
<b>C. Cash flows from financing activities</b>			
Issue of shares		-	39,952,500
Repayment of lease liabilities		(1,008,857)	-
Interest paid on borrowings		(7,628,573)	(1,484,959)
Proceed from borrowings		16,236,247	17,000,000
<b>Net cash used in financing activities</b>	(C)	<b>7,598,817</b>	<b>55,467,541</b>
<b>Net increase in cash and cash equivalents</b>	(A+B+C)	<b>3,184,999</b>	<b>1,792,396</b>
Cash and cash equivalents at the beginning of the year		3,625,558	1,833,162
<b>Cash and cash equivalents at the end of the year</b>		<b>6,810,556</b>	<b>3,625,558</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand		8,912	783
Balances with banks:			
- on current accounts		6,801,644	3,624,775
<b>Total cash and cash equivalents (note 7C)</b>		<b>6,810,556</b>	<b>3,625,558</b>
<b>Summary of significant accounting policies</b>	2.1		

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

As per our report of even date

For Madan & Associates  
Chartered Accountants  
Firm Registration No. 000185N

*M.K. Madan*

M.K. Madan  
Proprietor  
Membership No. 082214

Place : New Delhi  
Date : 17-06-2020



For and on behalf of the Board of Directors of  
S. Chand Edutech Private Limited

*Himanshu Gupta*  
Himanshu Gupta  
Director  
DIN: 00054015

*Saurabh Mittal*  
Saurabh Mittal  
Director  
DIN: 01402533

A. Equity share capital:

Issued, subscribed and fully paid up (Share of ₹ 10 each)	No. of shares	Amount in ₹
At 1 April 2018	21,270	212,700
Issued during the year	3,995,250	39,952,500
At 31 March 2019	4,016,520	40,165,200
Issued during the year	-	-
At 31 March 2020	4,016,520	40,165,200

B. Other equity

Particulars	Retained earnings	Total
As at 1 April 2018	(29,674,337)	(29,674,337)
Profit for the year	(18,455,868)	(18,455,868)
Other comprehensive income for the year	(80,054)	(80,054)
<b>Total Comprehensive Income for the year</b>	<b>(18,535,922)</b>	<b>(18,535,922)</b>
As at 31 March 2019	(48,210,259)	(48,210,259)
Profit for the period	(30,411,781)	(30,411,781)
Other comprehensive income for the year	7,216	7,216
<b>Total Comprehensive Income for the year</b>	<b>(30,404,565)</b>	<b>(30,404,565)</b>
As at 31 March 2020	(78,614,825)	(78,614,825)

Summary of significant accounting policies (refer note 2.1)

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

For Madan & Associates  
 Chartered Accountants  
 Firm Registration No. 000185N

*M.K. Madan*

M.K. Madan  
 Proprietor  
 Membership No. 082214

For and on behalf of the Board of Directors of  
 S Chand Edutech Private Limited

*Himanshu Gupta*  
 Himanshu Gupta  
 Director  
 DIN: 00054015

*Saurabh Mittal*  
 Saurabh Mittal  
 Director  
 DIN: 01402533

Place : New Delhi  
 Date : 17-06-2020



## **1. Company information**

S. Chand Edutech Private Limited (the company) is a private company incorporated under the provisions of the Companies Act, 1956. The company is wholly owned subsidiary of Safari Digital Education Initiative Private Limited. The registered office of the company is located at A 27, Mezzanine Floor, Mohan Co-operative industrial Estate, Delhi- 110044. The company is primarily engaged in promoting simulation based blended learning solutions in technical education field in India.

These are standalone financial statements and, accordingly, these Indian Accounting Standard (Ind AS) financial statements incorporate amounts and disclosures related to the Company only.

## **2. Significant accounting policies**

### **2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time

The financial statements have been prepared on a historical cost convention, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and on going concern basis.

The company has been suffering losses for the last three years and net working capital is negative. The turnover of the company is very less. During the year Company suffered net loss of Rs 3.04 crores. In respect of going concern, management is of the opinion that the company is into four verticals namely VRX Videos, Pre K Products (Nuri Nori and Smart K), Test Preparation (Test coach) and marketing of school book covers to Ed-tech industry for promotion. Three of the verticals have begun to generate revenues but Ed-tech requires a longer gestation than normal products since education industry takes time to adapt to new products and services. The parent company continues to invest in such product and technologies. Management is also committed to infuse more equity in the coming years. Profitability of the company is likely to be improved after completion of the existing projects in the financial year 2020-21.

The financial statements are presented in INR (Indian Rupees) and all values are rounded to the nearest rupee except when otherwise indicated.

### **2.2 Summary of significant accounting policies**

#### **a.) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle



- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of classification of its assets and liabilities as current and non-current.

## **b.) Foreign currencies**

### **Functional and presentational currency**

The Company's financial statements are presented in INR, which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

## **c.) Fair value measurement**

The Company measures certain financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.





**S. Chand Edutech Private Limited**

**CIN: U80302DL2010PTC206251**

**Notes to financial statements for the year ended 31 March 2020**

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuer are involved for valuation of significant assets such as valuation of unquoted investments and significant liabilities such as contingent consideration, where ever applicable. Involvement of external valuer is decided upon annually by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the Company's management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company's management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

#### **d.) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

##### **Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of sales returns, turnover discounts and cash discounts.

##### **Sale of services**

Revenue from sale of services is recognised on accrual basis as and when services are provided and invoices raised during the financial year.

##### **Interest income**



Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the statement of profit or loss.

For all financial instruments measured at amortised cost and other interest-bearing financial assets, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

**e.) Income taxes**

Income taxes consist of current taxes and changes in deferred tax liabilities and assets.

**Current income tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax (MAT) paid in a period is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the period in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have Convincing evidence that it will pay normal tax during the specified period.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss



- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised 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 relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In absence of certainty of having future profits, company has not recognised deferred tax.

#### f.) Property, plant and equipment

Under the previous GAAP (Indian GAAP), property, plant and equipment as at 1<sup>st</sup> April 2016, were carried in the balance sheet at cost, net of accumulated depreciation and accumulated impairment losses, if any.

On transition to Ind AS, the Company has elected to continue with the carrying value for all its item of property, plant and equipment as recognised in its Indian GAAP financial as deemed cost at the transition date, as at 1<sup>st</sup> April 2016.

Capital work in progress, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost comprises purchase price, cost of replacing parts of the property, plant and equipment and borrowing costs for long-term projects if the recognition criteria are met.



**S. Chand Edutech Private Limited**

**CIN: U80302DL2010PTC206251**

**Notes to financial statements for the year ended 31 March 2020**

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably.

Gains or losses arising from de-recognition 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 or loss when the asset is derecognised.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

**Depreciation on property, plant & equipment**

Depreciation on property, plant and equipment, other than leasehold improvements, have been provided on pro-rata basis, on the straight line method, using rates determined based on management's technical assessment of useful economic life of the assets.

Followings are the estimated useful lives of various category of assets used.

Category of assets	Useful life as adopted by management	Useful life as per Schedule II
Office equipment	5 years	5 years
Vehicle	8 years	8 years
Computer	3 years	3 years

Assets costing ₹ 5,000 or less are depreciated entirely in the year of purchase.

Second hand property, plant & equipment purchased during the year is depreciated considering its useful life based upon management's assessment.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

**g.) Intangible assets**

Under the previous GAAP (Indian GAAP), intangible assets were carried in the balance sheet at cost, net of accumulated amortization and accumulated impairment losses, if any.

On transition to Ind AS, The Company has elected to continue with the carrying value for all its item of intangible assets as recognised in its Indian GAAP financial as deemed cost at the transition date, as at 1<sup>st</sup> April 2016.



**S. Chand Edutech Private Limited**

**CIN: U80302DL2010PTC206251**

**Notes to financial statements for the year ended 31 March 2020**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the statement of profit or loss when it is incurred.

**Amortisation**

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

A summary of the policies applied to the Company's intangible assets is as follows:

Intangible assets	Useful lives	Amortization method used	Internally generated or acquired
Computer software	Finite (3 years)	Amortized on straight line basis over the period of useful lives	Acquired
Copyrights	Finite (10 years)	Amortized on straight line basis over the period of copyright	Acquired
Website Designing	Finite (10 years)	Amortized on straight line basis over the period of copyright	Acquired
Technical Knowhow	Finite (10 years)	Amortized on straight line basis over the period of copyright	Acquired

Gains or losses arising from de-recognition 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 or loss when the asset is derecognised.

**Research and development costs**

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:



- The technical feasibility of completing the intangible asset so that it will be available for use or sale. Its intention to complete the asset.
- Its ability to use or sell the asset. How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project. Amortization is recognized in the statement of profit and-loss. During the period of development, the asset is tested for impairment annually.

#### **h.) Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of profit and loss during extended period when active development activity of the qualifying assets is interrupted.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. It also includes exchanges differences to the extent regarded as an adjustment to the borrowing costs.

#### **i.) Leases**

##### The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

- (a) the contract involves the use of an identified asset
- (b) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (c) the Company has the right to direct the use of the asset.

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

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

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

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease



**Notes to financial statements for the year ended 31 March 2020**

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

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

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

**The Company as a lessor**

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

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

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

There is no impact on the profitability of the company on the date of transition.

**j.) Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First in first out (FIFO) basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on First in first out (FIFO) basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**k.) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



**Notes to financial statements for the year ended 31 March 2020**

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **1.) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **Financial assets**

##### **Initial recognition and measurement**

All financial assets are recognised 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.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:





- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### Debt instrument at FVTOCI

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's standalone balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.



Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit & loss. The balance sheet presentation for various financial instruments is described below:

#### **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and loans and borrowings.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

##### **Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised



**S. Chand Edutech Private Limited**

**CIN: U80302DL2010PTC206251**

**Notes to financial statements for the year ended 31 March 2020**

in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

#### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss

#### **Re-classification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **m.) Retirement and other employee benefits**

The Company operates a defined benefit plan for its employees i.e. gratuity. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation at each reporting date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

#### **n.) Provisions**

Provisions are recognised when the Company has 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



**S. Chand Edutech Private Limited**

**CIN: U80302DL2010PTC206251**

**Notes to financial statements for the year ended 31 March 2020**

obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow would be required to settle the obligation the provision is reversed.

**o.) Contingent liability**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**p.) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and short term investments with an original maturity of three months or less.

**q.) Earnings Per Share (EPS)**

Basic EPS amounts are calculated by dividing the net profit or loss for the period attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity shareholders as adjusted for interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares.



3. Property, plant and equipment

Particulars	(Amount in ₹)				
	Furniture & Fixtures	Vehicle	Office equipments	Computers	Total
<b>Gross block</b>					
As at 1 April 2018		2,200,000	25,500	650,939	2,876,439
Additions	15,323	-	46,704	894,340	941,044
Disposals	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>15,323</b>	<b>2,200,000</b>	<b>72,204</b>	<b>1,545,279</b>	<b>3,832,806</b>
Additions	-	-	15,360	-	15,360
Disposals	-	-	-	119,276	119,276
<b>As at 31 March 2020</b>	<b>15,323</b>	<b>2,200,000</b>	<b>87,564</b>	<b>1,426,003</b>	<b>3,728,890</b>
<b>Accumulated depreciation</b>					
As at 1 April 2018	-	12,884	292	31,039	44,215
Charge for the year	1,013	261,250	11,075	382,705	656,043
Deductions	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>1,013</b>	<b>274,134</b>	<b>11,367</b>	<b>413,744</b>	<b>700,258</b>
Charge for the year	1,359	228,697	11,911	314,245	556,211
Deductions	-	-	-	(54,110)	(54,110)
<b>As at 31 March 2020</b>	<b>2,372</b>	<b>502,831</b>	<b>23,278</b>	<b>673,879</b>	<b>1,202,358</b>
<b>Net block</b>					
As at 31 March 2019	14,310	1,925,866	60,837	1,131,537	3,132,549
As at 31 March 2020	12,951	1,697,169	64,286	752,124	2,526,530

4A. Intangible assets

Particulars	(Amount in ₹)					
	Content Development	Computer Softwares	Copyrights	Website Designing	Technical Knowhow	Total
<b>Cost</b>						
As at 1 April 2018	-	165,700	1,076,158	113,491	3,205,332	4,560,681
Purchases/internal development	25,644,597	225,000	138,900	170,000	-	26,178,497
Disposals	-	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>25,644,597</b>	<b>390,700</b>	<b>1,215,058</b>	<b>283,491</b>	<b>3,205,332</b>	<b>30,739,178</b>
Purchases/internal development	44,396,188	-	-	425,000	-	44,821,188
Disposals	-	-	-	-	-	-
<b>As at 31 March 2020</b>	<b>70,040,785</b>	<b>390,700</b>	<b>1,215,058</b>	<b>708,491</b>	<b>3,205,332</b>	<b>75,560,366</b>
<b>Accumulated amortization</b>						
As at 1 April 2018	-	9,878	388,563	36,334	1,200,564	1,635,339
Amortization for the year	1,424,864	97,010	212,295	32,570	634,827	2,401,566
Deductions	-	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>1,424,864</b>	<b>106,888</b>	<b>600,858</b>	<b>68,904</b>	<b>1,835,391</b>	<b>4,036,905</b>
Amortization for the year	4,747,528	102,788	214,522	44,612	634,828	5,744,278
Deductions	-	-	-	-	-	-
<b>As at 31 March 2020</b>	<b>6,172,392</b>	<b>209,676</b>	<b>815,380</b>	<b>113,516</b>	<b>2,470,219</b>	<b>9,781,183</b>
<b>Net block</b>						
As at 31 March 2019	24,219,733	283,812	614,201	214,587	1,369,941	26,702,275
As at 31 March 2020	63,868,393	181,024	399,678	594,975	735,113	65,779,185

Company has not carried out impairment test and accordingly not recognised any impairment to Intangibles Asset inspite of Nil income generated during the year from Intangibles Assets. Management is of view that it is in its initial stages of product development and marketing and has begun to generate traction in the product offering, wherein substantial revenue/ value will be generated over the next 12-24 months.

4B. Lease Assets

Particular	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
As at beginning of the year	-	-
Recognised on A/c of adoption of Ind AS 116	-	-
Addition	5,035,661	-
Deletion	-	-
Depreciation	1,119,034	-
<b>As at end of the year</b>	<b>3,916,627</b>	<b>-</b>

Lease Asset recognised is related to Building

4C. Intangible assets under development

The company is actively working on its three projects - Project Test Coach, Smart K & website. The cost incurred on respective projects till the reporting date is debited to capital work in progress, project wise details are shown as below:

Particular	(Amount in ₹)					
	Balance as on 1st April 2019	Addition	Deletion/Capitalisation	Balance as on 31 March 2020	Date of completion	Expected date of completion
Project Test Coach	22,955,762	4,105,173	27,060,935	-	01-Jan-20	-
Project SmartK (Level 1)	10,757,157	3,252,370	14,009,526	-	01-Jan-20	-
Project SmartK (Level 2)	-	3,325,727	3,325,727	-	01-Jan-20	-
Project SmartK (Level 3)	-	1,635,290	-	1,635,290	NA	30-Sep-20
Website under development	325,000	100,000	425,000	-	01-Jan-20	-
	<b>34,037,918</b>	<b>12,418,559</b>	<b>44,821,188</b>	<b>1,635,290</b>		

Expenditure incurred on various Intangible Assets under development and status of completion is certified by the management. Salary of Rs 74.82 lakhs is capitalised during the year



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5. Other Assets

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Prepaid expenses - Current	80,758	66,228
Advance with supplier (Refer Footnote 5.1)	1,872,459	5,320,722
Balance with Govt Authorities (Refer Footnote 5.2)	11,110,142	8,180,310
<b>Total Other assets</b>	<b>13,063,360</b>	<b>13,567,260</b>
<b>Current</b>	<b>13,063,360</b>	<b>13,567,260</b>
<b>Non-Current</b>	<b>-</b>	<b>-</b>

Footnote:

5.1 No provision has been made for Advance with Suppliers amounting to Rs 18.06 lakhs as management is of view that the same will be recovered in the subsequent year.

5.2 Includes GST credit of Rs 103.23 lakhs and TDS Receivable of Rs 7.87 lakhs.

6. Inventories

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Traded goods (At lower of Cost or NRV) Refer Footnote 6.1	18,437,207	8,449,189
	<b>18,437,207</b>	<b>8,449,189</b>

Footnote:

6.1 Includes Rs 28 lakhs as non moving and Rs 53 lakhs as slow moving. Company has made a reduction of 25% (7 lakhs) in respect of non moving and of 10% ( 5 lakhs) in respect of slow moving inventory. Management is of view that the same will be sold at a price not less than the calculated NRV.

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S. Chand Edutech Private Limited

CIN: U80302DL2010PTC206251

Notes to financial statement for the year ended 31 March 2020

7. Financial Assets

7A. Trade receivables

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Trade receivables		
Unsecured, considered good	124,283	9,231,088
Receivables from related parties	-	-
	<u>124,283</u>	<u>9,231,088</u>
Current	124,283	9,231,088
Non-Current	-	-

7B. Loans

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Unsecured		
Security deposits	-	458,350
Total Loans	<u>-</u>	<u>458,350</u>
Current	-	458,350
Non-Current	-	-

7C. Cash and cash equivalents

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- In current accounts	6,801,644	3,624,775
Cash in hand	8,912	783
Total Cash and cash equivalents	<u>6,810,556</u>	<u>3,625,558</u>



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8. Share Capital

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
<b>Authorised</b>		
50,00,000 (31 March 2019: 50,00,000) equity shares of Rs 10/- each	50,000,000	50,000,000
<b>Issued, subscribed and fully paid up</b>		
40,16,520 (31 March 2019: 40,16,520) equity shares of Rs 10/- each	40,165,200	40,165,200
	<u>40,165,200</u>	<u>40,165,200</u>

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

Equity shares	Numbers	(Amount in ₹)
As at 1st April 2018	21,270	212,700
Increase/(Decrease) during the year	3,995,250	39,952,500
As at 31 March 2019	4,016,520	40,165,200
Increase/(Decrease) during the year	-	-
As at 31 March 2020	<u>4,016,520</u>	<u>40,165,200</u>

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been proposed by the Board of Directors during the year ended 31 March 2020 (31 March 2019: nil). 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 its subsidiaries

	31 March 2020	31 March 2019
S Chand And Company Limited	3,995,250	3,995,250
Safari Digital Education Initiatives Pvt Ltd	21,170	21,170
Himanshu Gupta*	100	100

\*Shares held as nominee shareholder of Safari Digital Education Initiatives Pvt Ltd

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

	No of Shares	% of holding
As at 31 March 2019		
S Chand And Company Limited	3,995,250	99.47%
As at 31 March 2020		
S Chand And Company Limited	3,995,250	99.47%

9. Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Retained earnings</b>		
Balance as the beginning of reporting period	(48,210,259)	(29,674,337)
Add: Surplus during the year	(30,411,781)	(18,455,868)
Add: Other comprehensive income from the year	7,216	(80,054)
Balance as the end of reporting period	<u>(78,614,825)</u>	<u>(48,210,259)</u>

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## 10. Borrowings

## 10A. Non-current borrowings

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Unsecured Loans		
Loan from related party (Refer footnote 10A.1 & 10A.2 below)	31,250,000	58,843,645
<b>Total Non-current borrowings</b>	<b>31,250,000</b>	<b>58,843,645</b>

## Footnote:

10A.1 The above outstanding amount includes amount of ₹ 62,50,000 taken as loan from Nirja Publication & Printers Private Limited. Rate of interest is 11.15% p.a. (i.e SBI 2Year MCLR + 250 Basis Points Per Annum) and shall be calculated annually at the end of each year for subsequent year till the date of payment, the loan shall be repaid by the Company on completion of 3 years.

10A.2 The above outstanding amount includes amount of ₹ 2,50,00,000 taken as loan from Chhaya Prakashani Private Limited. Rate of interest is 11.15% p.a. (i.e SBI 2Year MCLR + 250 Basis Points Per Annum) and shall be calculated annually at the end of each year for subsequent year till the date of payment, the loan shall be repaid by the Company on completion of 3 years i.e by 07.02.2022

## 10B. Current borrowings

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Unsecured Loans		
Loan from related party (Refer footnote 10B.1 & 10B.2 below)	43,829,892	-
<b>Total Current borrowings</b>	<b>43,829,892</b>	<b>-</b>

## Footnote:

10B.1 The above outstanding amount includes amount of ₹ 2,19,86,247 taken as loan from S Chand And Company Limited. Terms of the loan is 3 years and loan, along with interest, is optionally convertible at the option of S Chand Edutech Pvt. Ltd. after one year and if not converted on or before 3 years, the loan shall be repaid by the company on completion of 3 years. Amount is repayable by 17.11.2020.

10B.2 The above outstanding amount includes amount of ₹ 2,18,45,645 taken as loan from Safari Digital Education Initiatives Private Limited. Amount is repayable by 31.03.2021

## 11. Other financial liabilities

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Interest accrued but not due on borrowings	7,291,043	5,084,092
<b>Total other financial liabilities</b>	<b>7,291,043</b>	<b>5,084,092</b>
Current	4,719,621	-
Non current	2,571,422	5,084,092

## 12. Provisions for employee benefits

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Provision for leave encashment (Current)	-	141,568
Provision for gratuity (Non Current) Refer footnote 12.1	400,695	186,278
Provision for gratuity (Current) Refer footnote 12.1	625	383
<b>Total provisions for employee benefits</b>	<b>401,320</b>	<b>328,229</b>
Current	625	141,951
Non current	400,695	186,278

## Footnote:

12.1 Provision for Gratuity has been made on the basis of Actuary valuation report for the year ended 31st March 2020

## 13A. Other liabilities

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Statutory dues	1,533,015	2,130,848
Employee payables	1,016,819	1,312,684
Advance from customers	3,141,556	-
Other Provisions	151,145	-
<b>Total Other liabilities</b>	<b>5,842,535</b>	<b>3,443,532</b>
Current	5,842,535	3,443,532
Non current	-	-

## 13B. Lease Liabilities

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Lease liability	4,026,804	-
	<b>4,026,804</b>	
Current	1,589,524	-
Non current	2,437,280	-

## 14. Trade payables

Particulars	(Amount in ₹)	
	As at 31 March 2020	As at 31 March 2019
Trade payables of micro enterprises and small enterprises	-	-
Trade payables of related entities	58,101,069	36,592,565
Trade payables other than micro enterprises and small enterprises	-	2,957,182
<b>Total Trade payables</b>	<b>58,101,069</b>	<b>39,549,747</b>
Current	58,101,069	39,549,747
Non-Current	-	-



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15. Revenue From Operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products		
Traded Goods	724,703	855,517
Sale of services*	18,835,504	11,195,625
Other operating revenue		
<b>Total revenue from operations</b>	<b>19,560,207</b>	<b>12,051,142</b>
*Details of sale of services		
Home learning sale	-	8,695,625
Space for branding name of Byju (Refer Footnote 15.2)	17,242,500	
Licenses Fees (Refer Footnote 15.1)	1,593,004	2,500,000
	<b>18,835,504</b>	<b>11,195,625</b>

Footnote:

15.1 Represents grant of rights for Licensed Content. The product being specific and of specialised nature is certified to be on arms length basis in absence of availability of market price.

15.2 Space for branding name of Byju represents income earned from third party to promote their brand on publication of books by the group.

16. Other Income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income		
- on income tax refund	4,130	-
Profit on sale of property, plant & equipment	3,247	-
Profit on sale of Investment	-	199,060
Liabilities Written Back	64,482	-
<b>Total Other Income</b>	<b>71,859</b>	<b>199,060</b>

17. Purchases of goods

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Finished Goods-Traded Goods		
Learning Material Boxes	11,956,994	9,940,404
	<b>11,956,994</b>	<b>9,940,404</b>

18. (Increase)/ Decrease in Inventories

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventories at the end of the year		
Finished Goods- Traded Goods	18,437,207	8,449,189
	<b>18,437,207</b>	<b>8,449,189</b>
Inventories at the beginning of the year		
Finished Goods- Traded Goods	8,449,189	-
	<b>8,449,189</b>	<b>-</b>
<b>Net (Increase)/ Decrease in Inventories</b>	<b>(9,988,018)</b>	<b>(8,449,189)</b>

19. Selling & Distribution expenses

Particulars	For the year ended 31 March 2020	For the period ended 31 March 2019
Business Promotion	665,079	1,422,696
Exhibition Expense (Courier Expenses)	35,743	4,514,902
<b>Total selling &amp; distribution expenses</b>	<b>700,822</b>	<b>5,937,598</b>

20. Employee Benefits Expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	6,953,342	4,897,065
Contribution to provident funds	455,436	278,193
Gratuity expense	221,875	88,892
Staff welfare expenses	88,259	251,829
<b>Total employee benefits expenses</b>	<b>7,718,912</b>	<b>5,515,979</b>

21. Finance Cost

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest		
- on borrowings	7,582,928	4,128,825
- on Lease Liability	315,943	-
- others	45,645	-
Bank charges	2,397	20,828
<b>Total finance cost</b>	<b>7,946,913</b>	<b>4,149,653</b>



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22. Depreciation and Amortisation Expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant & equipment	556,211	656,041
Amortisation of intangible assets	5,744,278	2,401,565
Amortisation of Right to use Assets	1,119,034	-
Amount charged off of Capital WIP for Project Smart Watch	-	4,474,378
<b>Total depreciation and amortisation expenses</b>	<b>7,419,523</b>	<b>7,531,984</b>

23. Other Expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Conveyance expenses	536,463	630,857
Repair & Maintenance - Computer	638,386	167,095
Rent - Printer	136,336	142,528
Rates and taxes	89,869	556,951
Insurance expense	75,798	36,824
Legal and professional fee	353,099	229,332
Management shared services (Refer Footnote 23.2)	10,944,666	3,924,553
Web database charges	339,970	193,813
Payment to auditor (refer details below)	125,000	100,000
Exchange Rate Difference	186,250	-
Outsourced Employee Costs	154,139	58,132
Miscellaneous Expenses (Refer Footnote 23.1)	10,708,726	39,558
<b>Total other expenses</b>	<b>24,288,702</b>	<b>6,079,642</b>

Footnote:

- 23.1 Miscellaneous Expense includes Cost of printing of advertisement in the books of group companies to the extent of Rs 80.07 lakhs for which Income of Rs 172.4 lakhs is earned. It also includes Security Deposit written off of Rs 4.58 lakhs.
- 23.2 Management Shared Services paid to S Chand & Company Ltd (Holding Company) as mutually agreed and as certified by the Management.

Payment to auditor

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>As auditor</b>		
Audit fee	100,000	100,000
Tax Matters	25,000	-
	<b>125,000</b>	<b>100,000</b>

24. Components of Other Comprehensive Income (OCI)

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Re-measurement (gains)/losses on defined benefit plans	(7,216)	80,054
	<b>(7,216)</b>	<b>80,054</b>

25. Earnings per share

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

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

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to equity holders of the company	(30,411,781)	(18,455,868)
Weighted average number of equity shares used for computing Earning per Share (Basic & Diluted)	2,783,146	2,783,146
Basic EPS	(10.93)	(6.63)
Diluted DPS	(10.93)	(6.63)



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26. Related party transactions

a. Names of related parties and related party relationship

Related parties where control exists	Holding Company
	S Chand And Company Limited
	Safari Digital Education Initiatives Private Limited (till 16 May 2018)
Related parties with whom transactions have taken place during the year	
Enterprise over which KMP or their relatives exercise significant influence	S Chand And Company Limited (On and after 17th May 2018) Safari Digital Education Initiatives Private Limited (till 16th May 2018) New Saraswati House (India) Private Limited Chhaya Prakashani Private Limited Vikas Publishing House Pvt. Ltd S Chand Properties Pvt. Ltd Smartivity Labs Private Limited
Key Management Personnel	Mr Himanshu Gupta, Nominee Shareholder and Director Mr Dinesh Kumar Jhunjhunwala, Director Mr. Saurabh Mittal, Director (w.e.f. 28 March 2018)

b. Transactions with the related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period/year.

Nature of transactions	Year Ended	Holding Company	Enterprise over which KMP or their relatives exercise significant influence	Key Management Personnel	Total
Sales of Services	31 Mar 2020	1,572,390	-	-	1,572,390
	31 March 2019	2,500,000	-	-	2,500,000
Sale of Goods	31 Mar 2020	-	-	-	-
	31 March 2019	531,490	-	-	531,490
Sales of Tangible Assets	31 Mar 2020	-	68,413	-	68,413
	31 March 2019	-	-	-	-
Loans & advances received	31 Mar 2020	-	8,000,000	-	8,000,000
	31 March 2019	-	-	-	-
Cibhaya Prakashani Private Limited	31 Mar 2020	-	6,250,000	-	6,250,000
	31 March 2019	-	-	-	-
Nirja Publishers & Printers Private Limited	31 Mar 2020	29,000	-	-	29,000
	31 March 2019	-	-	-	-
Purchases	31 Mar 2020	-	4,981,292	-	4,981,292
	31 March 2019	-	2,755,674	-	2,755,674
S Chand and Company Limited	31 Mar 2020	-	1,558,093	-	1,558,093
	31 March 2019	-	-	-	-
Vikas Publishing House Pvt Ltd	31 Mar 2020	3,275,104	-	-	3,275,104
	31 March 2019	1,189,456	-	-	1,189,456
Rental & Maint Expenses	31 Mar 2020	-	2,308,189	-	2,308,189
	31 March 2019	-	863,310	-	863,310
S Chand Properties Pvt. Ltd	31 Mar 2020	-	2,483,847	-	2,483,847
	31 March 2019	-	-	-	-
Advertisement Expenses	31 Mar 2020	-	266,507	-	266,507
	31 March 2019	-	-	-	-
New Saraswati House (India) Private Limited	31 Mar 2020	10,944,666	-	-	10,944,666
	31 March 2019	12,914,736	-	-	12,914,736
Vikas Publishing House Pvt Ltd	31 Mar 2020	2,448,724	-	-	2,448,724
	31 March 2019	2,220,783	-	-	2,220,783
Repair & Maint Computer	31 Mar 2020	-	-	-	-
	31 March 2019	-	-	-	-
Safari Digital Education Initiatives Private Limited	31 Mar 2020	-	-	-	-
	31 March 2019	-	-	-	-
Management Shared Services	31 Mar 2020	-	-	-	-
	31 March 2019	-	-	-	-
Interest expenses	31 Mar 2020	-	-	-	-
	31 March 2019	-	-	-	-
S Chand And Company Limited	31 Mar 2020	-	-	-	-
	31 March 2019	-	-	-	-
Safari Digital Education Initiatives Private Limited	31 Mar 2020	-	2,499,180	-	2,499,180
	31 March 2019	-	-	-	-



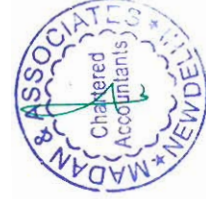
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Nature of transactions	Year Ended	Holding Company	Enterprise over which KMP or their relatives exercise significant influence	Key Management Personnel	Total
Chhaya Prakashani Private Limited	31 March 2019	2,435,566	-	-	2,435,566
	31 Mar 2020	-	2,551,007	-	2,551,007
	31 March 2019	-	222,972	-	222,972
	31 March 2019	-	83,158	-	83,158
Reimbursement of expenses S Chand And Company Limited	31 Mar 2020	122,659	-	-	122,659
	31 March 2019	14,104,192	-	-	14,104,192
Repayment of Loans & advances Safan Digital Education Initiatives Private Limited	31 Mar 2020	-	-	-	-
	31 March 2019	-	-	-	-
Investment in equity Shares S Chand And Company Limited	31 Mar 2020	-	-	-	-
	31 March 2019	39,952,500	-	-	39,952,500
Repayment of reimbursement of expenses S Chand And Company Limited	31 Mar 2020	-	-	-	-
	31 March 2019	-	-	-	-
Development work of Project VRX Smarivity Labs Private Limited	31 Mar 2020	-	-	-	-
	31 March 2019	8,580,000	842,600	-	9,422,600

c. Balance Outstanding

The following table provides the total amount outstanding with related parties at the end of financial year:

Nature of transactions	Year Ended	Holding Company	Enterprise over which KMP or their relatives exercise significant influence	Key Management Personnel	Total
Trade Payables	31 Mar 2020	43,312,471	-	-	43,312,471
	31 March 2019	31,126,388	-	-	31,126,388
S Chand Properties Pvt. Ltd	31 Mar 2020	-	871,975	-	871,975
	31 March 2019	-	-	-	-
Safan Digital Education Initiatives Private Limited	31 Mar 2020	-	-	-	-
	31 March 2019	-	-	-	-
Vikas Publishing House Pvt Ltd	31 Mar 2020	-	7,530,618	-	7,530,618
	31 March 2019	-	2,946,943	-	2,946,943
New Saraswati House (India) Pvt Ltd	31 Mar 2020	-	3,224,300	-	3,224,300
	31 March 2019	-	846,866	-	846,866
Advance from Customers S Chand And Company Limited	31 Mar 2020	2,593,315	-	-	2,593,315
	31 March 2019	-	-	-	-
Long term borrowings	31 Mar 2020	-	21,843,645	-	21,843,645
	31 March 2019	21,843,645	-	-	21,843,645
Safan Digital Education Initiatives Private Limited (Principal Amount)	31 Mar 2020	2,192,009	1,810,610	-	3,992,619
	31 March 2019	21,986,247	-	-	21,986,247
S Chand And Company Limited (Principal Amount)	31 Mar 2020	2,909,011	-	-	2,909,011
	31 Dec 2020	705,161	-	-	705,161
Chhaya Prakashani Private Limited (Principal Amount)	31 Mar 2020	17,000,000	25,000,000	-	42,000,000
	31 March 2019	200,675	7,496,580	-	7,697,255
Nirja Publishers & Printers Pvt Ltd (Principal Amount)	31 Mar 2020	-	6,250,000	-	6,250,000
	31 March 2019	-	74,842	-	74,842



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## 27 Defined benefit plans:

## A. Gratuity

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

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

The following table sets out for the status of gratuity plan

Particulars	2019-20	2018-19
<b>I Change in present value of defined benefit obligation during the</b>		
Defined Benefit Obligation as of Prior Year	186,661	17,716
Service Cost :-		
Current service cost	208,170	87,546
Interest Cost	13,706	1,345
Benefit payments directly by employer		
Actuarial (Gain) / Loss - Demographic	28	-
Actuarial (Gain) / Loss - Financial	35,888	5,298
Actuarial (Gain) / Loss - Experience	(43,133)	74,756
<b>Defined Benefit Obligation at the end of Current Year</b>	<b>401,320</b>	<b>186,661</b>
<b>II Change in fair value of plan assets during the year</b>		
There is no plan assets		
<b>III Net asset/ (liability) recognised in the balance sheet</b>		
Net defined benefit liability (asset) at prior year end	186,661	17,716
Defined benefit cost included in P&L	221,875	88,892
Total remeasurements included in OCI	(7,216)	80,053
Direct benefit payments by Employer		
<b>Net defined benefit liability (asset) - end of period</b>	<b>401,320</b>	<b>186,661</b>
<b>IV Expense recognised in the statement of profit or loss during the</b>		
Service cost	208,170	87,547
Net interest cost	13,706	1,345
<b>Total expense recognised in the employee benefit expense</b>	<b>221,876</b>	<b>88,892</b>
<b>V Recognised in other comprehensive income for the year</b>		
Actuarial (Gain) / Loss due to Demographic Assumption changes in DB	29	-
Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	35,888	5,298
Actuarial (Gain) / Loss due to Experience on DBO	(43,133)	74,756
<b>Cumulative OCI - (Income)/Loss, End of Period</b>	<b>(7,216)</b>	<b>80,054</b>
<b>VI Maturity profile of defined benefit obligation</b>		
Year 1	625	383
Year 2	644	394
Year 3	666	408
Year 4	43,165	424
Year 5	43,997	24,129
Year 6 to 10	202,082	113,878
<b>VII Quantitative sensitivity analysis for significant assumptions is as</b>		
a) Impact of change in discount rate		
Present Value of obligation at the end of the period		
Discount rate - 100 basis points	450,343	210,143
Discount rate + 100 basis points	359,580	166,672
Impact of change		
Discount rate - 100 basis points	(49,023)	(23,482)
Discount rate + 100 basis points	41,740	19,989
b) Impact of change in salary		
Present Value of obligation at the end of the period		
Rate - 100 basis points	359,761	166,613
Rate + 100 basis points	449,127	209,759
Impact of change		
Discount rate - 100 basis points	41,559	20,048
Discount rate + 100 basis points	(47,807)	(23,098)
<b>VIII Actuarial assumptions</b>		
Discount Rate	6.50%	7.35%
Future salary increase	8.00%	8.00%
Retirement Age (years)	60 Years	60 Years
Mortality rates inclusive of provision for disability	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
Withdrawal rate	10.00%	10.00%

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

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



- 28 Company has suffered loss of Rs. 3.04 crores during the year. Retained earnings as at the year end is in Negative figure of 7.86 crores against total equity of Rs. 4.01 crores. Management is committed to infuse more equity in the coming years. Profitability of the company is likely to be improved after completion of the existing projects in the financial year 2020-21. In this background, as per Assessment of the management the Going Concern is not affected as no material uncertainty exists with regard to assumption of Going Concern.
- 29 Figures for the previous year have been regrouped / reclassified, wherever necessary, to correspond with the current period's classifications / disclosures.

