



**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, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

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



## **Key Audit Matters**

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report i.e. Chairman's statement, Director's report, Management Discussion and Analysis, Corporate Governance Report etc. but does not include the IND AS financial statement and our auditor report thereon. The information included in annual report i.e. Director's report, Management Discussion and Analysis, Corporate Governance Report etc. is expected to be made available to us after the date of the auditor's report.

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

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

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

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

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

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

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

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



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

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

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

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



statements.

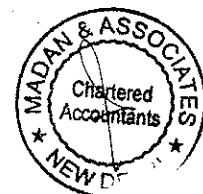
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### **Report on Other Legal and Regulatory Requirements**

- 1 As required by 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:



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

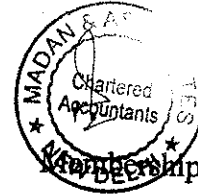
- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
  - v. The company has not paid any dividend interim or otherwise during the year and therefore the requirement of compliance of Sec 123 of the Act are not applicable.



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

*For MADAN & ASSOCIATES*  
*Chartered Accountants*

Firm's registration number: 000185N



*M.k. Madan*

**M.k. Madan**  
*Proprietor*

Membership number: 082214

Place: New Delhi

Date: 16.05.2022

UDIN: 22082214AJKORO1736

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

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

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

- (i)
- (a) (A). The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
  - (B). The company is maintaining proper records showing particulars of intangible assets.
  - (b) The Company has performed physical verification of Property, Plant & Equipment and no material discrepancies were noticed.
  - (c) Company does not have any immovable property and therefore requirements of title deeds as per para 3(i)(c) of the order are not applicable.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.
  - (e) As per information and explanation given to us and based on our examination of the records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
- (a) The physical verification of the inventory was taken by the management on 25 Jan 2022 and the rollback procedures were conducted to arrive at the quantity on 31 December 2021. In our opinion the frequency of physical verification is reasonable. However the procedure of conducting the physical verification has not been codified. The reconciliation between the book record and physical count is in progress.
  - (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, Limited liability partnership or any other parties and hence reporting under clause 3(iii)(a) to 3(iii)(f) of the Order are not applicable.

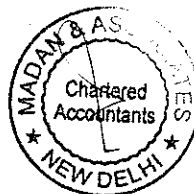


- (iv) In our opinion and according to the information and explanations given to us and certified by the company no loans/investments have been made and therefore the requirements of reporting of compliance of section 185 and 186 of the Act are not applicable.
- (v) According to the information and explanation given to us, the company has not accepted any deposits during the year. The advances received from the customers outstanding at the year-end are insignificant.
- (vi) Requirement of maintenance of cost records under section 148(1) are not applicable to the company as the company is not a manufacturing entity.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has generally been regular in depositing undisputed statutory dues including Goods and Services tax provident Fund, Employees State insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to the appropriate authorities. There were no undisputed amounts outstanding in respect of the aforesaid statutory dues in arrears as at 31.03.2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no disputed amounts as mentioned in sub clause (a) above which have not been deposited as at 31.03.2022.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)
- (ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
- c) The term loans obtained during the year were utilized for the purpose for which these were obtained.
- d) The long term sources of funds comprising of share capital, reserves & surplus (Negative) and long term loans are significantly less (due to current maturity of long term loans considered as current liability) than the long term application of funds and intangible assets. Similarly the current ratio is also less than 2. The company is suffering losses and hence the loan obtained from the related parties are partially utilised for funding the losses. Thus it cannot be concluded that the company has obtained any short term funds and utilized the same for long term purposes.





- e) The Company have not raised any loan to meet the obligation of subsidiary during the year, hence reporting under this clause is not applicable.
- f) The Company have not raised any loan during the year on the pledge of securities held in subsidiaries, Joint venture or associate companies, hence reporting under this clause regarding the raising of loans on the pledge of the investments made in subsidiaries is not applicable
- (x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) a) No fraud by the Company and no material fraud on the Company has been noticed or Reported during the year
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) The company being a private limited company (Subsidiary of Listed company), the requirement of whistle blower mechanism is not applicable and hence not reported.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties in respect of availment of services are in the nature of specialized/customized services for which market prices are not available. In absence of the same transactions are certified on arm's length basis and we have relied upon the same. In respect of other transactions the same are in compliance with sections 177 and 188 of the Act where applicable and details of all transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The company being a private limited company whose turnover does not exceed Rs 200 Crore and whose outstanding loans and advance from the banks and financial institutions does not exceed Rs 100 crores, the requirement of system of Internal audit is not applicable in terms of section 138 of the Companies Act 2013 read with rule 13 of the companies (Accounts rule 2014). Therefore there is no formal internal audit system prevalent in the organisation.



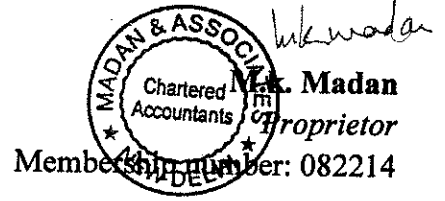
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- b). The company has not conducted any Non banking financial or housing finance activities during the year, Therefore the requirement of obtention of certificate of registration is not applicable.
- c) The company is not a core investment company as defined in the regulations made by the RBI.
- d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable
- xvii) The Company has incurred cash losses of Rs.229 Lakhs during the year and Rs.276 Lakhs in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities (majority of them payable to related parties), on the basis of letter of support from the holding company, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans to convert the borrowings into equity, Plan to transfer its intangible asset at the substantial higher value to its parent company and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) Provisions of sec 135 of the Companies Act 2013 regarding Corporate social responsibility are not applicable to the company.



*For Madan & Associates*

Chartered Accountants

Firm's registration number: 000185N



Place: New Delhi

Date: 16.05.2022

UDIN: 22082214AJKORO1736

## **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 2022 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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



## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

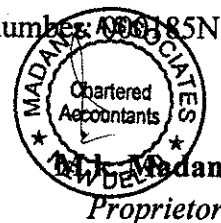
## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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: 082214

*M. K. Madan*



Membership number: 082214

Place: New Delhi

Date: 16.05.2022

UDIN: 22082214AJKORO1736

**S. Chand Edutech Private Limited**  
**CIN: U80302DL2010PTC206251**  
**Balance sheet as at 31st March 2022**

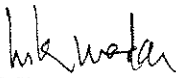
Particulars	Notes	(Amount in ₹)	
		As at 31st March 2022	As at 31st March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	14,33,656	18,66,686
Other intangible assets	4A	5,42,24,629	5,61,93,044
Right of use Asset	4B	15,76,455	26,52,555
Intangible assets under development	4C	-	42,81,590
Financial assets			
- Other Financial Assets	7C	3,00,000	3,00,000
<b>Total non-current assets</b>		<b>5,75,34,740</b>	<b>6,52,93,875</b>
<b>Current assets</b>			
Inventories	6	1,58,19,911	1,43,33,840
Financial assets			
- Trade receivables	7A	90,87,139	6,66,719
- Cash and cash equivalents	7B	7,44,163	2,82,265
Other current assets	5	1,45,38,496	1,29,47,070
<b>Total current assets</b>		<b>4,01,89,709</b>	<b>2,82,29,894</b>
<b>Total assets</b>		<b>9,77,24,449</b>	<b>9,35,23,769</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	8	4,77,94,850	4,77,94,850
Other equity	9	(13,14,31,124)	(9,87,04,102)
<b>Total equity</b>		<b>(8,36,36,274)</b>	<b>(5,09,09,252)</b>
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	10A	4,30,40,655	4,19,43,645
- Lease Liability	13B	6,38,952	17,77,483
- Other financial liabilities	11	75,51,614	44,41,539
- Trade Payables	14	5,82,25,020	5,16,57,174
Provisions	12	2,81,159	3,92,491
<b>Total non current liabilities</b>		<b>10,97,37,400</b>	<b>10,02,12,332</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	10B	4,68,43,645	2,50,00,000
- Lease Liability	13B	11,33,581	9,52,749
- Trade payables	14	-	-
- micro enterprises and small enterprises		-	-
- other than micro enterprises and small enterprises		1,39,26,849	1,16,49,312
- Other financial liabilities	11	90,52,843	50,51,251
Provisions	12	510	566
Other current liabilities	13A	6,65,895	15,66,811
<b>Total current liabilities</b>		<b>7,16,23,323</b>	<b>4,42,20,690</b>
<b>Total equity and liabilities</b>		<b>9,77,24,449</b>	<b>9,35,23,769</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

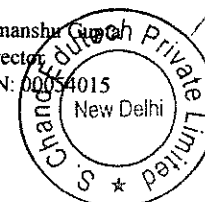
**For Madan & Associates**  
Chartered Accountants  
Firm Registration No. 000185N

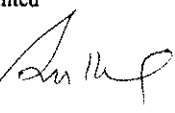
  
**M. K. Madan**  
Proprietor  
Membership No. 082214



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

  
Himanshu Gupta  
Director  
DIN: 00054015



  
Saurabh Mittal  
Director  
DIN: 01402533

Place : New Delhi  
Date : 16/05/2022

**S. Chand Edutech Private Limited**

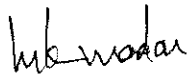
**CIN: U80302DL2010PTC206251**

**Statement of Profit and Loss for the year ended 31st March 2022**

Particulars	Notes	(Amount in ₹)	
		For the year ended 31st March 2022	For the year ended 31st March 2021
<b>I Revenue from Operations</b>	15	1,10,40,262	89,07,945
<b>II Other Income</b>	16	1,13,621	8,37,185
<b>III Total Income</b>		<b>1,11,53,883</b>	<b>97,45,130</b>
<b>IV Expenses</b>			
Purchase of stock-in-trade	17	1,26,87,016	64,01,303
(Increase)/ decrease in inventories of finished goods and stock-in-trade	18	(14,86,070)	41,03,366
Employee benefits expense	19	51,23,427	61,46,385
Finance cost	20	83,65,147	88,31,152
Depreciation and amortisation expense	21	1,01,04,445	1,21,91,410
Other expenses	22	93,64,250	1,18,71,738
<b>Total expenses</b>		<b>4,41,58,213</b>	<b>4,95,45,354</b>
<b>V Profit/(loss) before tax (III-IV)</b>		<b>(3,30,04,330)</b>	<b>(3,98,00,224)</b>
<b>VI Tax expense:</b>			
Current tax		-	-
Income tax adjustment related to earlier years		-	-
Deferred tax		-	-
<b>Total tax expenses</b>		<b>-</b>	<b>-</b>
<b>VII Profit (Loss) for the period (V-VI)</b>		<b>(3,30,04,330)</b>	<b>(3,98,00,224)</b>
<b>VIII Other Comprehensive Income</b>			
- Items that will not be reclassified to profit or loss	23		
Re-measurement (gains)/losses on defined benefit plans		2,77,308	2,55,339
Income tax effect			
<b>IX Total Comprehensive Income for the period (VII+VIII) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>		<b>(3,27,27,022)</b>	<b>(3,95,44,885)</b>
<b>X Earnings per equity share:</b>	24		
(1) Basic		(6.91)	(9.86)
(2) Diluted		(6.91)	(9.86)
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



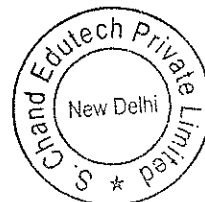
**M. K. Madan**  
Proprietor  
Membership No. 082214

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

  
**Himanshu Gupta**  
Director  
DIN: 00054015

  
**Saurabh Mittal**  
Director  
DIN: 01402533

Place : New Delhi  
Date : 16/05/2022



S. Chand Edutech Private Limited  
CIN: U80302DL2010PTC206251  
Cash flow statement for the period ended 31th March 2022

Particulars	Notes	(Amount in ₹)	
		As at 31th March 2022	As at 31st March 2021
<b>A. Cash flow from operating activities</b>			
Profit before tax		(3,30,04,330)	(3,95,44,885)
Adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortization expense		1,01,04,445	1,21,91,410
(Profit)/loss on sale of fixed assets (net)		(25,772)	-
Provision for doubtful debts		(27,250)	-
Income on cancellation of lease agreement (Ind AS-116)		(13,538)	-
Interest income on Income Tax Refund		(58,947)	-
Interest expense		83,64,055	84,03,108
Operating profit before working capital changes		(1,46,61,337)	(1,89,50,367)
Movement in working capital:			
(Increase)/Decrease in trade receivables		(83,93,170)	(5,42,436)
(Increase)/Decrease in other financial assets		-	(3,00,000)
(Increase)/Decrease in other assets		(15,71,322)	1,16,290
Decrease/(increase) in inventories		(14,86,070)	41,03,368
Increase/(decrease) in trade payables		88,45,384	52,05,416
Increase/(decrease) in other Financial Liabilities		40,01,592	20,50,603
Increase/(decrease) in other liabilities		16,76,259	(41,32,843)
Cash generated from operations		(1,15,88,666)	(1,24,49,969)
Direct taxes paid (net of refunds)		7,57,767	-
Net cash from operating activities	(A)	(1,08,30,899)	(1,24,49,969)
<b>B. Cash flows from investing activities</b>			
Purchase of fixed assets including capital advances and capital work-in-progress		(24,06,366)	(28,02,300)
Proceeds from sale of fixed assets		66,724	-
Net cash used in investing activities	(B)	(23,39,642)	(28,02,300)
<b>C. Cash flows from financing activities</b>			
Issue of shares		-	2,70,85,258
Proceeds from Long-term borrowings		2,29,40,655	-
Interest paid on borrowings		(80,88,113)	(84,03,108)
Repayment of borrowing		-	(81,36,247)
Payment of Lease Liability		(12,20,103)	(18,21,925)
Net cash used in financing activities	(C)	1,36,32,439	87,23,978
Net increase in cash and cash equivalents	(A+B+C)	4,61,898	(65,28,291)
Cash and cash equivalents at the beginning of the year		2,82,265	68,10,556
Cash and cash equivalents at the end of the year		7,44,163	2,82,265
<b>Components of cash and cash equivalents</b>			
Cash on hand		99,632	1,27,092
Balances with banks:			
- on current accounts		6,44,531	1,55,173
Total cash and cash equivalents (note 7B)		7,44,163	2,82,265
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 : 16/05/2022



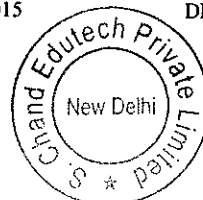
For and on behalf of the Board of Directors of  
S. Chand Edutech Private Limited

*Himanshu Gupta*

Himanshu Gupta  
Director  
DIN: 00054015

*Saurabh Mittal*

Saurabh Mittal  
Director  
DIN: 01402533





S. Chand Edutech Private Limited

CIN: U80302DL2010PTC206251

Statement of changes in equity for the year ended 31st March 2022

A. Equity share capital:

Issued, subscribed and fully paid up (Share of ₹ 10 each)	No. of shares	Amount in ₹
At 31st March 2020	40,16,520	4,01,65,200
Issued during the year	7,62,965	76,29,650
At 31st March 2021	47,79,485	4,77,94,850
Issued during the year		
At 31st March 2022	47,79,485	4,77,94,850

B. Other equity

(Amount in ₹)

Particulars	Retained earnings	Securities premium	Total
As at 31st March 2020	(7,86,14,825)	-	(7,86,14,825)
Profit for the period	(3,98,00,224)	-	(3,98,00,224)
Other comprehensive income for the year	2,55,339	-	2,55,339
Addition during the year	-	1,94,55,608	1,94,55,608
As at 31st March 2021	(11,81,59,710)	1,94,55,608	-9,87,04,103
Profit for the period	(3,30,04,330)		(3,30,04,330)
Other comprehensive income for the year	2,77,308		2,77,308
Addition during the year			
As at 31 March 2022	(15,08,86,732)	1,94,55,608	(13,14,31,125)

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

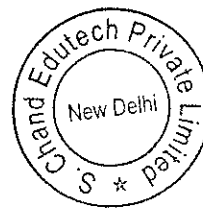
M. K. Madan  
Proprietor  
Membership No. 082214

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

Himanshu Gupta  
Director  
DIN: 00054015

Saurabh Mittal  
Director  
DIN: 01402533

Place : New Delhi  
Date : 16/05/2022



## 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 a subsidiary of S Chand and Company 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 3.27 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 Edtech industry for promotion. Three of the verticals have begun to generate revenues but Edtech 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 2022-23.

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.

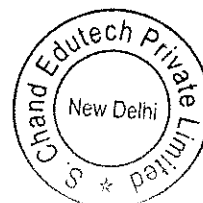
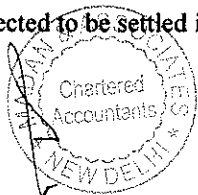
An asset is classified as current when it is:

- 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



**S. Chand Edutech Private Limited**

**CIN: U80302DL2010PTC206251**

**Notes to financial statements for the year ended 31 March 2022**

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- 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.

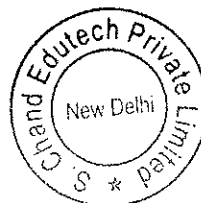
The principal or the most advantageous market must be accessible by the Company.

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.



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**S. Chand Edutech Private Limited**

**CIN: U80302DL2010PTC206251**

**Notes to financial statements for the year ended 31 March 2022**

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.

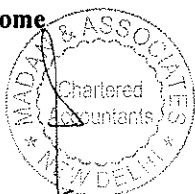
##### **Sale of goods**

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.

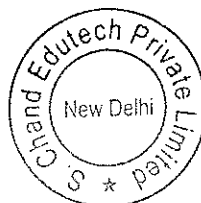
##### **Sale of services**

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**



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**S. Chand Edutech Private Limited**

**CIN: U80302DL2010PTC206251**

**Notes to financial statements for the year ended 31 March 2022**

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**

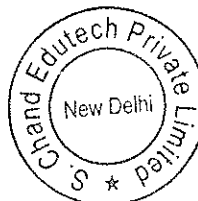
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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



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**S. Chand Edutech Private Limited**

**CIN: U80302DL2010PTC206251**

**Notes to financial statements for the year ended 31 March 2022**

- 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.

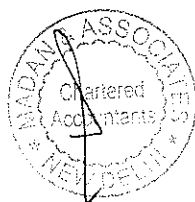
In absence of certainty of having future profits, company has not recognised deferred tax.

**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.



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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.

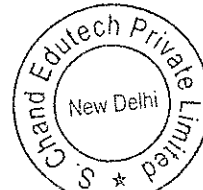
Second hand property, plant & equipment purchased during the year is depreciated considering its useful life based upon management's assessment.

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 2022**

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.

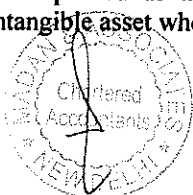
A summary of the policies applied to the Company's intangible assets is as follows:

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

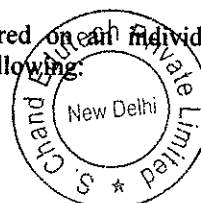
Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

**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:



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- 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 :

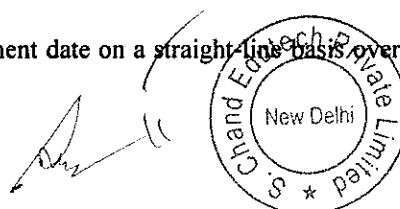
- (a) the contract involves the use of an identified asset
- (b) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (c) the Company has the right to direct the use of the asset.

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



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**Notes to financial statements for the year ended 31 March 2022**

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.

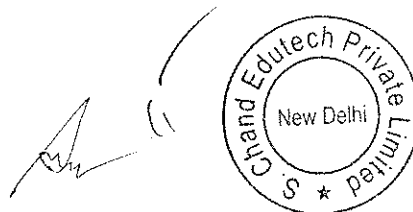
Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- **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.



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.

## **I.) 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.

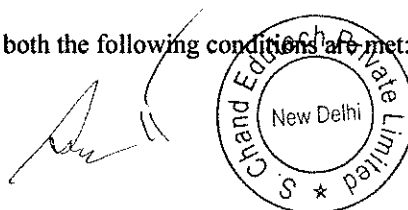
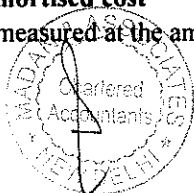
#### **Subsequent measurement**

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:



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**Notes to financial statements for the year ended 31 March 2022**

- 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 recognized 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**

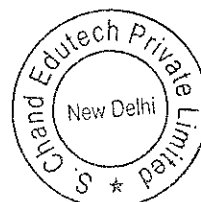
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's standalone balance sheet) when:

- 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.



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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:

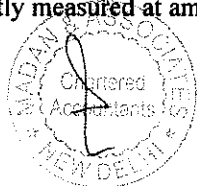
**Financial liabilities at fair value through profit or loss**

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.

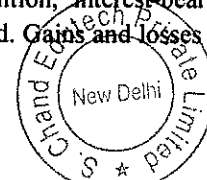
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own 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



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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**

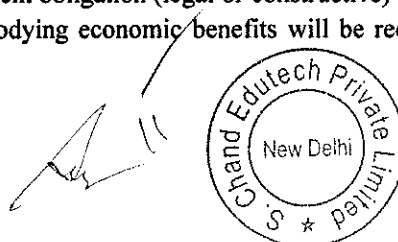
The Company operates a defined benefit plan for its employees i.e. gratuity. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation at each reporting date.

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



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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.

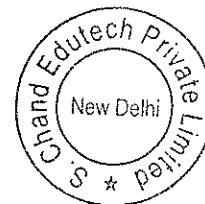
**q.) Earnings Per Share (EPS)**

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.



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## 3. Property, plant and equipment

Particulars	(Amount in ₹)				
	Furniture & Fixtures	Vehicle	Office equipments	Computers	Total
<b>Gross block</b>					
As at 31st March 2020	15,323	22,00,000	87,564	14,26,003	37,28,890
Additions		1,56,000			1,56,000
Disposals					
As at 31st March 2021	15,323	23,56,000	87,564	14,26,003	38,84,890
Additions					
Disposals				(7,30,854)	(7,30,854)
As at 31st March 2022	15,323	23,56,000	87,564	6,95,149	31,54,036
<b>Accumulated depreciation</b>					
As at 31st March 2020	2,372	5,02,831	23,278	6,73,879	12,02,358
Charge for the year	1,552	2,98,066	18,797	4,97,432	8,15,847
Deductions					
As at 31st March 2021	3,924	8,00,897	42,074	11,71,310	20,18,204
Charge for the year	1,456	2,79,775	16,637	94,210	3,92,078
Deductions				(6,89,902)	(6,89,902)
As at 31st March 2022	5,380	10,80,672	58,712	5,75,618	17,20,380
<b>Net block</b>					
As at 31st March 2021	11,399	15,55,103	45,490	2,54,692	18,66,686
As at 31st March 2022	9,943	12,75,328	28,852	1,19,530	14,33,656

## 4A. Intangible assets

Particulars	(Amount in ₹)					Total
	Content Development*	Computer Softwares	Copyrights	Website Designing	Technical Knowhow	
<b>Cost</b>						
As at 31st March 2020	7,00,40,785	3,90,700	12,15,058	7,08,491	32,05,332	7,55,60,366
Purchases/internal development						
Disposals						
As at 31st March 2021	7,00,40,785	3,90,700	12,15,058	7,08,491	32,05,332	7,55,60,366
Purchases/internal development	66,61,406			26,550		66,87,956
Disposals						
As at 31st March 2022	7,67,02,191	3,90,700	12,15,058	7,35,041	32,05,332	8,22,48,322
<b>Accumulated amortization</b>						
As at 31st March 2020	61,72,392	2,09,676	8,15,380	1,13,516	24,70,219	97,81,183
Amortization for the year	85,14,093	1,58,912	2,17,696	65,218	6,30,221	95,86,139
Deductions						
As at 31st March 2021	1,46,86,485	3,68,588	10,33,076	1,78,734	31,00,440	1,93,67,322
Amortization for the year	84,06,377	21,959	32,840	90,303	1,04,892	86,56,371
Deductions						
As at 31st March 2022	2,30,92,862	3,90,547	10,65,916	2,69,037	32,05,332	2,80,23,693
<b>Net block</b>						
As at 31st March 2021	5,53,54,300	22,112	1,81,982	5,29,757	1,04,892	5,61,93,044
As at 31st March 2022	5,36,09,329	153	1,49,142	4,66,004	(0)	5,42,24,629

## \*Content Development

Vrx Project (32 Modules)	
Project Nuri Nori	
Vrx Project (Phase II)	
Project Smart K Level 1 & Level 2	
Project Test Coach	
Project Smart K Level 3	
<b>Total</b>	

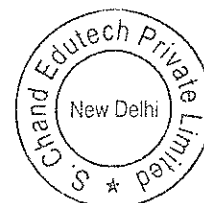
As at 31st March 2022

10,27,424
81,93,065
34,22,000
1,34,37,190
2,09,75,921
65,53,729
<b>5,36,09,329</b>

Impairment testing is not done in view of future projections in respect of project Smart K level, Nuri Nuri, VRX and valuation report in respect of Project Test Coach.



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## 4B. Right-of-use assets

Particulars	(Amount in ₹)	
	Building (RoU)	Total
<b>Cost</b>		
As at 31st March 2020	50,35,661	50,35,661
Purchases/internal development	31,83,065	31,83,065
Disposals	(26,57,713)	(26,57,713)
As at 31st March 2021	55,61,013	55,61,013
Purchases/internal development		
Disposals	(20,104)	(20,104)
As at 31st March 2022	55,40,909	55,40,909
<b>Accumulated amortization</b>		
As at 31st March 2020	11,19,034	11,19,034
Amortization for the year	17,89,424	17,89,424
Deductions		
As at 31st March 2021	29,08,458	29,08,458
Amortization for the year	10,55,996	10,55,996
Deductions		
As at 31st March 2022	39,64,454	39,64,454
<b>Net block</b>		
As at 31st March 2021	26,52,555	26,52,555
As at 31st March 2022	15,76,455	15,76,455

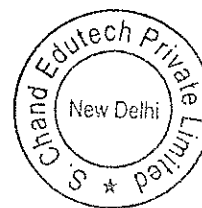
## 4C. Intangible assets Under Development

Particular	(Amount in ₹)				
	Balance as on 31st March 2021	Addition	Deletion/Capitalisation	Balance as on 31st March 2022	Date of completion
Project SmartK (Level 3)	42,81,590	23,79,817	66,61,407	-	31 January 2022
	<u>42,81,590</u>	<u>23,79,817</u>	<u>66,61,407</u>	<u>-</u>	

Expenditure incurred on Intangible Assets capitalised and status of completion is certified by the management. Salary of Rs 17.35 lakhs is capitalised during the year.



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5. Other Assets

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Current</b>		
Advances to vendors	20,589	72,811
Prepaid expenses - Current	1,82,654	1,88,085
Balance with Govt Authorities (refer footnote 5.1)	1,43,35,253	1,26,86,174
	<b>1,45,38,496</b>	<b>1,29,47,070</b>
<b>Non-current</b>		
<b>Current</b>	<b>1,45,38,496</b>	<b>1,29,47,070</b>

5.1 Includes GST credit of Rs 137.74 lakhs (PY: Rs. 118.33 lakhs) and TDS Receivable of Rs: 5.61 lakhs (PY: Rs. 8.53 lakhs).

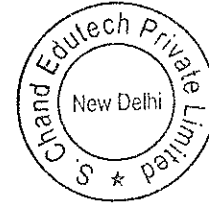
6. Inventories

Particulars	As at	
	31st March 2022	31st March 2021
Finished goods-traded goods (at lower of cost and net realisable value) (refer footnote 6.1)	1,58,19,911	1,43,33,840
	<b>1,58,19,911</b>	<b>1,43,33,840</b>

6.1 Includes non moving inventory of Rs. 1.56 Cr against which provision of Rs 36.03 Lakhs is already made. The inventory could not be liquidated due to closure of schools for the entire year. Management is hopeful that on opening of schools in the next year this non moving stock would be sold and therefore no further provision is made during the year under audit.



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## 7. Financial Assets

## 7A. Trade receivables

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Trade receivables</b>		
Secured, considered good		
Unsecured, considered good	90,87,139	6,66,719
Receivable which have significant increase in credit risk	27,250	
Receivable credit impaired		
	<b>91,14,389</b>	<b>6,66,719</b>
<b>Less: Allowance for expected credit loss</b>		
Secured, considered good		
Unsecured, considered good	(27,250)	-
Receivable which have significant increase in credit risk		
Receivable credit impaired		
	<b>(27,250)</b>	<b>-</b>
	<b>90,87,139</b>	<b>6,66,719</b>
<b>Trade receivables from related parties</b>	<b>60,71,700</b>	

## The movement in impairment of trade receivables as follow:

Particulars	As at	As at
	31st March 2022	31st March 2021
Opening balance	-	-
Additions/ (write-back) (net)	(27,250)	-
Write off (net of recovery) (refer note 26)	-	-
Closing balance	<b>(27,250)</b>	<b>-</b>

## Below table represents the trade receivables ageing:

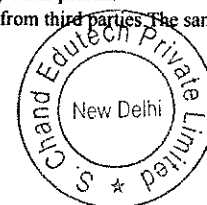
Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years
<b>As at 31 March 2022:</b>					
<b>a) Undisputed trade receivables</b>					
- considered good	93,59,311	1,41,367	90,711	-	-
- which have significant increase in credit risk					
- which are credit impaired					
	<b>93,59,311</b>	<b>1,41,367</b>	<b>90,711</b>	<b>-</b>	<b>-</b>
<b>b) Disputed trade receivables</b>					
- considered good					
- which have significant increase in credit risk					
- which are credit impaired					
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>93,59,311</b>	<b>1,41,367</b>	<b>90,711</b>	<b>-</b>	<b>-</b>
<b>As at 31 March 2021:</b>					
<b>a) Undisputed trade receivables</b>					
- considered good	6,66,719	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-
- which are credit impaired					
	<b>6,66,719</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>b) Disputed trade receivables</b>					
- considered good					
- which have significant increase in credit risk					
- which are credit impaired					
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>6,66,719</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

In view of schools remaining closed due to Covid 19 pandemic confirmations required under SA 505 could not be procured from third parties. The same will be obtained during the next financial year and reconciliation/rectification if any will be carried out.



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**7B. Cash and cash equivalents**

Particulars	As at	
	31st March 2022	31st March 2021
Balances with banks		
- In current accounts	6,44,531	1,55,173
Cash in hand	99,632	1,27,092
<b>Total Cash and cash equivalents</b>	<b>7,44,163</b>	<b>2,82,265</b>

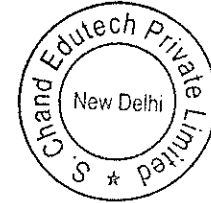
**7C. Other Financial Assets**

Particulars	As at	
	31st March 2022	31st March 2021
<b>Non-current:</b>		
Security deposits*	3,00,000	3,00,000
	<b>3,00,000</b>	<b>3,00,000</b>
<b>Current:</b>		
Security deposits	-	-
	<b>-</b>	<b>-</b>
<b>Current</b>	<b>-</b>	<b>-</b>
<b>Non-Current</b>	<b>3,00,000</b>	<b>3,00,000</b>

\*In view of insignificant impact of present value, working under IND AS 109 is not recorded.



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8. Share Capital

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Authorised</b>		
50,00,000 (31st March 2020: 50,00,000) equity shares of Rs 10/- each	5,00,00,000	5,00,00,000
<b>Issued, subscribed and fully paid up</b>		
47,79,485 (31st March 2020: 40,16,520) equity shares of Rs 10/- each	4,77,94,850	4,77,94,850
	<u>4,77,94,850</u>	<u>4,77,94,850</u>

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

Equity shares	Numbers	(Amount in ₹)
<b>Issued, subscribed and fully paid up</b>		
As at 31st March 2020	40,16,520	4,01,65,200
Increase during the year (On account of conversion of loan)	7,62,965	76,29,650
As at 31st March 2021	47,79,485	4,77,94,850
Increase during the year (On account of conversion of loan)	-	-
As at 31st March 2022	47,79,485	4,77,94,850

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 31st March 2022 (31st March 2021: 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

	31st March 2022		31st March 2021	
	No of Shares	% of holding	No of Shares	% of holding
S Chand And Company Limited	47,58,215	99.55	47,58,215	99.55
Safari Digital Education Initiatives Pvt. Ltd.	21,170	0.45	21,170	0.45
Himanshu Gupta*	100	0.0	100	0.0

\*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:	31st March 2022		31st March 2021	
	No of Shares	% of holding	No of Shares	% of holding
S Chand And Company Limited	47,58,215	99.55	39,95,250	99.55

9. Other equity

Particulars	As at	As at
	31st March 2022	31st March 2021
<b>Retained earnings</b>		
Balance at the beginning of reporting period	(11,84,22,265)	(7,86,22,041)
Add: Profit/(Loss) during the year	(3,30,04,329)	(3,98,00,224)
Add: Other comprehensive income/(loss)		
Balance at the end of reporting period	<u>(15,14,26,594)</u>	<u>(11,84,22,265)</u>
<b>Securities premium</b>		
Balance at the Beginning of reporting period	1,94,55,608	-
Addition (on account of conversion of loan to equity @ Rs. 25 50/- per share)		1,94,55,608
	<u>1,94,55,608</u>	<u>1,94,55,608</u>
<b>Other comprehensive Income</b>		
Balance as the beginning of reporting year	2,62,555	7,216
Add: Other comprehensive income for the year (net)	2,77,308	2,55,339
Balance as the end of reporting year	<u>5,39,863</u>	<u>2,62,555</u>
<b>Total</b>	<u>(13,14,31,124)</u>	<u>(9,87,04,102)</u>

Retained earnings

Retained earnings refer to the net profit/(loss) retained by the Company for its core business activities.

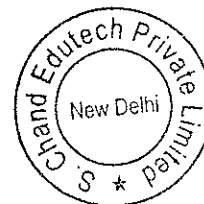
Securities premium

Securities premium comprises of the premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

Other comprehensive income

Other comprehensive income comprise of re-measurement of defined benefit liability.

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10. Borrowings

10A. Non-current borrowings

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Unsecured Loans</b>		
Loan from related party (refer footnote 10A.1 to 10A.4)	4,30,40,655	4,19,43,645
<b>Total Non-current borrowings</b>	<b>4,30,40,655</b>	<b>4,19,43,645</b>

Footnote(s):

- 10A.1 The above outstanding amount includes amount of ₹ 1,65,00,000 (31 March 2021: ₹1,65,00,000) taken as loan from Nirja Publishers & Printers Private Limited. Rate of interest is 9.70% 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 ₹ 15,00,000 (31 March 2021: ₹15,00,000) taken as loan from Blackie & Son (Calcutta) Private Limited. Rate of interest is 9.70% 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.3 The above outstanding amount includes amount of ₹ 2,50,40,655 (31 March 2021: ₹ 21,00,000) taken as loan from S Chand and Company Limited. Rate of interest is 9.70% 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.4 The above outstanding amount includes amount of ₹ NIL(31 March 2021: ₹2,18,43,645/-) taken as loan from Safari Digital Education Initiatives Private Limited. Rate of interest is 9.70% p.a. (i.e SBI 2 Year 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. This year the amount is considered as current borrowings. Refer note 10B.2.

10B. Current borrowings

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Unsecured Loans</b>		
Loan from related party (refer footnote 10B.1 & 10B.2)	4,68,43,645	2,50,00,000
<b>Total Current borrowings</b>	<b>4,68,43,645</b>	<b>2,50,00,000</b>

- 10B.1 The above outstanding amount includes amount of ₹ 2,50,00,000/- (31 March 2021: ₹ 2,50,00,000) taken as loan from Chhaya Prakashani Pvt Limited. Rate of interest is 9.70% 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.
- 10B.2 The above outstanding amount includes amount of ₹ 2,18,43,645 (31 March 2021: ₹Nil) taken as loan from Safari Digital Education Initiatives Private Limited. Rate of interest is 9.70% p.a. (i.e SBI 2 Year 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. Refer note 10A.4.

11. Other financial liabilities

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Non Current</b>		
Interest accrued but not due on borrowings	75,51,614	44,41,539
	<b>75,51,614</b>	<b>44,41,539</b>
<b>Current</b>		
Expenses Payable	3,82,886	3,00,000
Employee payables	6,64,788	6,26,107
Interest accrued but not due on borrowings	80,05,169	47,51,251
	<b>90,52,843</b>	<b>56,77,358</b>
<b>Current</b>	<b>90,52,843</b>	<b>50,51,251</b>
<b>Non current</b>	<b>75,51,614</b>	<b>44,41,539</b>

12. Provisions for employee benefits

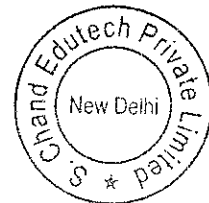
Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Non Current</b>		
Provision for gratuity (refer footnote 12.1)	2,81,159	3,92,491
	<b>281159</b>	<b>392491</b>
<b>Current</b>		
Provision for gratuity (refer footnote 12.1)	510	566
<b>Total provisions for employee benefits</b>	<b>510</b>	<b>566</b>
<b>Current</b>	<b>510</b>	<b>566</b>
<b>Non current</b>	<b>2,81,159</b>	<b>3,92,491</b>

Footnote(s):

- 12.1 Provision for Gratuity has been made on the basis of Actuary valuation report.



*(Signature)*



## 13A. Other liabilities

Particulars	As at	
	31st March 2022	31st March 2021
<b>Current</b>		
Statutory dues	3,69,365	4,08,008
Advance from customers	2,89,030	5,32,696
Other Provisions	7,500	-
<b>Total Other liabilities</b>	<b>6,65,895</b>	<b>9,40,704</b>
<b>Non current</b>	<b>6,65,895</b>	<b>15,66,811</b>

## 13B Lease Liability

Particulars	As at	
	31st March 2022	31st March 2021
<b>(In respect of building taken on lease)</b>		
<b>Non- Current</b>		
Lease liability	6,38,952	17,77,483
<b>Total Lease Liability</b>	<b>6,38,952</b>	<b>17,77,483</b>
<b>Current</b>		
Lease liability	11,33,581	9,52,749
<b>Total Lease Liability</b>	<b>17,72,533</b>	<b>27,30,232</b>
<b>Current</b>	<b>11,33,581</b>	<b>9,52,749</b>
<b>Non current</b>	<b>6,38,952</b>	<b>17,77,483</b>

## 14. Trade payables

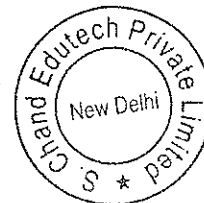
Particulars	As at	
	31st March 2022	31st March 2021
<b>Non-Current</b>		
Trade payables of related entities	5,82,25,020	5,16,57,174
<b>Total Non-Current</b>	<b>5,82,25,020</b>	<b>5,16,57,174</b>
<b>Current</b>		
Trade payables of micro enterprises and small enterprises	-	-
Trade payables of related entities	72,78,165	76,08,579
Trade payables other than micro enterprises and small enterprises	66,48,684	40,40,733
<b>Total Current</b>	<b>1,39,26,849</b>	<b>1,16,49,312</b>
<b>Total Trade payables</b>	<b>7,21,51,869</b>	<b>6,33,06,486</b>
<b>Current</b>	<b>1,39,26,849</b>	<b>1,16,49,312</b>
<b>Non-Current</b>	<b>5,82,25,020</b>	<b>5,16,57,174</b>

Below table represents the trade payables ageing:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
<b>As at 31 March 2022:</b>				
<b>a) Undisputed trade payables</b>				
Micro enterprises and small enterprises	1,39,26,849	70,16,287	2,36,16,264	2,75,92,469
Others	1,39,26,849	70,16,287	2,36,16,264	2,75,92,469
<b>b) Disputed trade payables</b>				
Micro enterprises and small enterprises	-	-	-	-
Others	-	-	-	-
	1,39,26,849	70,16,287	2,36,16,264	2,75,92,469
<b>As at 31 March 2021:</b>				
<b>a) Undisputed trade payables</b>				
Micro enterprises and small enterprises	1,16,49,312	2,40,09,720	2,76,47,453	-
Others	1,16,49,312	2,40,09,720	2,76,47,453	-
<b>b) Disputed trade payables</b>				
Micro enterprises and small enterprises	-	-	-	-
Others	-	-	-	-
	1,16,49,312	2,40,09,720	2,76,47,453	-

## Footnote(s):

Information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.



15. Revenue From Operations

Particulars	(Amount in ₹)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Sale of products</b>		
Traded goods (net of returns)	54,30,262	16,27,637
<b>Sale of services*</b>	56,10,000	72,80,308
<b>Total revenue from operations</b>	<b>1,10,40,262</b>	<b>89,07,945</b>
India	1,10,40,262	89,07,945
Outside India	-	-
	<b>1,10,40,262</b>	<b>89,07,945</b>

The Company collects Goods and Service Tax (GST) on behalf of the Government and hence, GST is not included in Revenue from operations.

**\*Details of sale of services**

Space for branding name of Byju (refer footnote 15.1)	-	57,47,500
Professional consultancy for business activity	56,10,000	-
Licenses Fees (refer footnote 15.2)	-	15,32,808
	<b>56,10,000</b>	<b>72,80,308</b>

16. Other Income

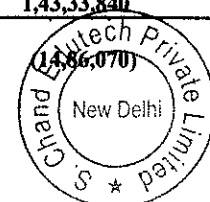
Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest income		
- on income tax refund	58,947	10,000
Profit on sale of property, plant & equipment	25,772	-
Income on modification of lease agreement (Ind AS-116)	13,538	3,27,585
Misc. Income	15,364	
Liabilities no longer Required	-	4,99,600
<b>Total Other income</b>	<b>1,13,621</b>	<b>8,37,185</b>

17. Purchases of goods

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Finished Goods-Traded Goods</b>		
Smartk Learning Material	1,22,63,302	64,01,303
Printing charges	4,23,714	
	<b>1,26,87,016</b>	<b>64,01,303</b>

18. (Increase)/ Decrease in Inventories

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>Inventories at the end of the year</b>		
Finished Goods- Traded Goods	1,58,19,911	1,43,33,840
	<b>1,58,19,911</b>	<b>1,43,33,840</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods- Traded Goods	1,43,33,840	1,84,37,207
	<b>1,43,33,840</b>	<b>1,84,37,207</b>
<b>Net (Increase)/ Decrease in Inventories</b>	<b>14,86,070</b>	<b>41,03,367</b>



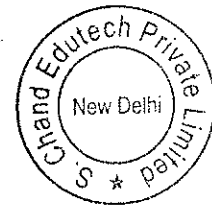


**19. Employee Benefits Expenses**

<b>Particulars</b>	<b>As at 31st March 2022</b>	<b>For the year ended 31st March 2021</b>
Salaries, wages and bonus	46,84,295	55,43,264
Contribution to provident funds	2,70,864	3,46,775
Gratuity expense	1,65,920	2,47,076
Staff welfare expenses	2,348	9,270
<b>Total employee benefits expenses</b>	<b>51,23,427</b>	<b>61,46,385</b>

**20. Finance Cost**

<b>Particulars</b>	<b>As at 31st March 2022</b>	<b>For the year ended 31st March 2021</b>
Interest		
- on borrowings	80,05,169	82,74,449
- on Lease Liability	2,75,942	4,23,750
- others (on late payment of rent)	82,944	1,28,659
Bank charges	1,092	4,294
<b>Total finance cost</b>	<b>83,65,147</b>	<b>88,31,152</b>



21. Depreciation and Amortisation Expenses

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation of property, plant & equipment	3,92,078	8,15,847
Amortisation of intangible assets	86,56,371	95,86,139
Amortisation of Right of use Assets	10,55,996	17,89,424
<b>Total depreciation and amortisation expenses</b>	<b>1,01,04,445</b>	<b>1,21,91,410</b>

22. Other Expenses

Particulars	(Amount in ₹)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Conveyance expenses	1,93,842	75,243
Repair & Maintenance - Others	2,20,534	2,52,834
Balance Written off	65,973	-
Repair & Maintenance - Computer	13,801	5,46,779
Rent - Printer & Other	55,000	57,600
Rates and taxes	14,570	41,037
Insurance expense	3,28,123	1,94,052
Legal and professional fee	23,60,800	47,54,712
Prior period Exp	-	11,555
Management shared services (refer footnote 23.1)	38,86,249	33,11,159
Web database charges	5,21,458	4,05,847
Payment to auditor (refer footnote 23.2)	1,50,000	1,25,000
Provision for Doubtful debts	27,250	-
Outsourced Employee Costs	-	2,49,721
Selling & Distribution expenses	6,30,781	3,59,564
Miscellaneous Expenses (refer footnote 23.3)	8,95,868	14,86,634
<b>Total other expenses</b>	<b>93,64,250</b>	<b>1,18,71,738</b>

Footnote(s):

22.1 Management Shared Services paid to S Chand and Company Limited (Holding Company) as mutually agreed and as certified by the Management.

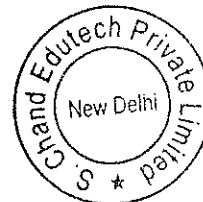
22.2 Payment to auditor

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>As auditor</b>		
Audit fee	1,25,000	1,00,000
Tax Matters	25,000	25,000
	<b>1,50,000</b>	<b>1,25,000</b>

22.3 Miscellaneous Expense includes office expenses of Rs. 4.22 Lakh, License fee of Rs 3.24 Lakh. (Previous year Rs 10.06 lakhs for cost of printing of advertisement.)



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**23. 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 31st March 2022	For the year ended 31st March 2021
Re-measurment gains/(losses) on defined benefit plans	2,77,308	2,55,339
	<u>2,77,308</u>	<u>2,55,339</u>

**24. 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.

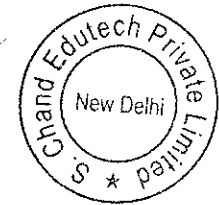
Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all dilutive potential equity shares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

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

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit attributable to equity holders of the company	(3,30,04,330)	(3,98,00,224)
Weighted average number of equity shares used for computing Earning per Share (Basic & Diluted)	47,79,485	40,37,423
Basic EPS	(6.91)	(9.86)
Diluted DPS	(6.91)	(9.86)



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**S. Chand Edutech Private Limited**

CIN: U80302DL2010PTC206251

Notes to financial statement for the year ended 31st March 2022

**25 Transactions with the related parties****a. Names of related parties and related party relationship****Related parties where control exists**

Holding Company	S Chand And Company Limited
-----------------	-----------------------------

**Related parties with whom transactions have taken place during the year**

Enterprise over which KMP or their relatives	Nirja Publishers and Printers Private Limited Safari Digital Education Initiatives Private Limited New Saraswati House (India) Private Limited Chhaya Prakashani Limited Vikas Publishing House Private Limited Blackie and Sons (Calcutta) Private Limited S Chand Properties Pvt. Limited Edutor Technologies India Pvt Ltd BPI (India) Private Limited
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## Key Management Personnel

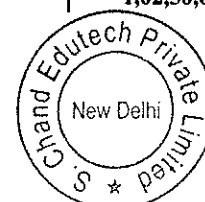
Mr Himanshu Gupta, Nominee Shareholder and Director  
Mr Dinesh Kumar Jhunjhuwala, Director  
Mr. Saurabh Mittal, Director

**b. Transactions with the related parties**

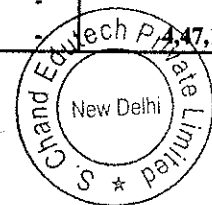
The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Amount in ₹)

Nature of transactions	Year Ended	Holding Company	Enterprise over which KMP or their relatives exercise significant influence	Key Management Personnel	Total
<b>Sales of Services</b>					
S Chand And Company Limited*	31 Mar 2022 31 Mar 2021	15,32,808	-	-	15,32,808
Edutor Technologies India Pvt Ltd*	31 Mar 2022	-	56,10,000	-	56,10,000
<b>Sale of Goods</b>					
S Chand And Company Limited	31 Mar 2022 31 Mar 2021	12,900	-	-	12,900
<b>Sales of Tangible Assets</b>					
S Chand And Company Limited	31 Mar 2022 31 Mar 2021	66,724	-	-	66,724
<b>Loan taken</b>					
Blackie & Son (Calcutta) Private Limited	31 Mar 2022 31 Mar 2021	-	- 15,00,000	- -	- 15,00,000
S Chand And Company Limited	31 Mar 2022 31 Mar 2021	2,21,00,000 21,00,000	- -	- -	2,21,00,000 21,00,000
Nirja Publishers & Printers Private Limited	31 Mar 2022 31 Mar 2021	- -	- 1,02,50,000	- -	- 1,02,50,000



<b>Purchases</b>					
Vikas Publishing House Private Limited	31 Mar 2022	-	51,56,052	-	51,56,052
	31 Mar 2021	-	20,23,421	-	20,23,421
BPI (India) Private Limited	31 Mar 2022	-	-	-	-
	31 Mar 2021	-	2,200	-	2,200
<b>Lease Rent &amp; Maint Expenses</b>					
S Chand Properties Pvt. Limited	31 Mar 2022	-	-	-	-
	31 Mar 2021	-	15,47,634	-	15,47,634
New Saraswati House (India) Private Limited	31 Mar 2022	-	34,220	-	-
	31 Mar 2021	-	29,000	-	29,000
<b>Miscellaneous Expenses (Advertisement Expenses)</b>					
S Chand And Company Limited	31 Mar 2022	-	-	-	-
	31 Mar 2021	5,04,820	-	-	5,04,820
Vikas Publishing House Private Limited	31 Mar 2022	-	-	-	-
	31 Mar 2021	-	5,01,925	-	5,01,925
Edutor Technologies India Pvt Ltd	31 Mar 2022	-	5,18,000	-	5,18,000
<b>Repair &amp; Maint Computer</b>					
Safari Digital Education Initiatives Private Lim	31 Mar 2022	-	-	-	-
	31 Mar 2021	-	2,76,511	-	2,76,511
<b>Management Shared Services</b>					
S Chand And Company Limited	31 Mar 2022	38,86,249	-	-	38,86,249
	31 Mar 2021	33,11,159	-	-	33,11,159
<b>Interest expenses</b>					
S Chand And Company Limited	31 Mar 2022	12,86,910	-	-	12,86,910
	31 Mar 2021	23,94,603	-	-	23,94,603
Safari Digital Education Initiatives Private Lim	31 Mar 2022	-	24,39,248	-	24,39,248
	31 Mar 2021	-	23,07,262	-	23,07,262
Chhaya Prakashani Limited	31 Mar 2022	-	24,25,000	-	24,25,000
	31 Mar 2021	-	24,43,151	-	24,43,151
Nirja Publishers & Printers Private Limited	31 Mar 2022	-	17,02,928	-	17,02,928
	31 Mar 2021	-	10,62,064	-	10,62,064
Blackie & Son (Calcutta) Private Limited	31 Mar 2022	-	1,51,083	-	1,51,083
	31 Mar 2021	-	67,370	-	67,370
S Chand Properties Pvt. Limited	31 Mar 2022	-	75,307	-	75,307
	31 Mar 2021	-	1,28,659	-	1,28,659
<b>Conversion of Loan to Equity shares (Including share premium)</b>					
S Chand And Company Limited	31 Mar 2022	-	-	-	-
	31 Mar 2021	2,70,85,258	-	-	2,70,85,258
<b>Reduction in Liability</b>					
S Chand And Company Limited	31 Mar 2022	-	-	-	-
	31 Mar 2021	4,47,125	-	-	4,47,125



**Balance Outstanding**

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

(Amount in ₹)

Nature of transactions	Year Ended	Holding Company	Enterprise over which KMP or their relatives exercise significant influence	Key Management Personnel	Total
<b>Trade Payables</b>					
S Chand And Company Limited	31 Mar 2022	5,23,58,265			5,23,58,265
	31 Mar 2021	4,79,33,331	-		4,79,33,331
S Chand Properties Pvt. Limited	31 Mar 2022		-	-	-
	31 Mar 2021	-	9,79,660	-	9,79,660
Vikas Publishing House Private Limited	31 Mar 2022		1,31,32,021		1,31,32,021
	31 Mar 2021	-	1,03,16,341	-	1,03,16,341
New Saraswati House (India) Private Limited	31 Mar 2022	-	-	-	-
	31 Mar 2021	-	34,220	-	34,220
BPI (India) Private Limited	31 Mar 2022	-	-	-	-
	31 Mar 2021	-	2,200	-	2,200
<b>Trade Receivables</b>					
Edutor Technologies India Pvt Ltd	31 Mar 2022	-	60,58,800	-	60,58,800
<b>Long term borrowings</b>					
Safari Digital Education Initiatives Private Lim	31 Mar 2022		2,18,43,645		2,18,43,645
	31 Mar 2021	-	2,18,43,645	-	2,18,43,645
Safari Digital Education Initiatives Private Lim	31 Mar 2022		54,98,578		54,98,578
	31 Mar 2021	-	33,03,257	-	33,03,257
S Chand And Company Limited (Principal Am	31 Mar 2022	2,50,40,655			2,50,40,655
	31 Mar 2021	21,00,000	-	-	21,00,000
S Chand And Company Limited (Interest Amo	31 Mar 2022	3,37,575			3,37,575
	31 Mar 2021	20,012	-	-	20,012
Chhaya Prakashani Limited (Principal Amount	31 Mar 2022		2,50,00,000		2,50,00,000
	31 Mar 2021		2,50,00,000		2,50,00,000
Chhaya Prakashani Limited (Interest Amount)	31 Mar 2022		69,33,750		69,33,750
	31 Mar 2021	-	47,51,251		47,51,251
Nirja Publishers & Printers Private Limited (Pr	31 Mar 2022		1,65,00,000		1,65,00,000
	31 Mar 2021	-	1,65,00,000	-	1,65,00,000
Nirja Publishers & Printers Private Limited (In	31 Mar 2022		25,88,589		25,88,589
	31 Mar 2021	-	10,55,954	-	10,55,954
Blackie & Sons (Calcutta) Private Limited (Pri	31 Mar 2022		15,00,000		15,00,000
	31 Mar 2021	-	15,00,000	-	15,00,000
Blackie & Sons (Calcutta) Private Limited (Int	31 Mar 2022		1,98,291		1,98,291
	31 Mar 2021	-	62,317		62,317

\* Represent income earned on account of grant of rights for the licensed content. The product being specific and of specialised nature is certified to be on arms length basis in absence of availability of market prices.

**26 Defined benefit plans:**

A. An amount of ₹ 2,70,864 [31 March 2021 : ₹ 3,46,775] for the year has been recognised as an expense in respect of the Company's contributions towards Provident Fund, an amount of ₹ 6,249 [31 March 2021 : ₹ 5,375] for the year has been recognised as an expense in respect of Company's contributions towards Employee State Insurance, which are deposited with the government authorities and have been included under employee benefit expenses in the Statement of Profit and Loss.

**B. Gratuity**

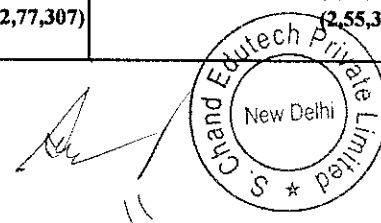
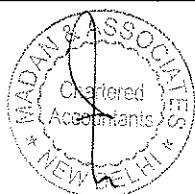
The company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of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

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

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

(Amount in ₹)

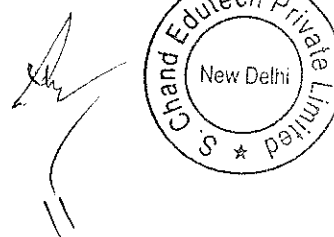
	2021-22	2020-21
<b>I Change in present value of defined benefit obligation during the year</b>		
Defined Benefit Obligation as of Prior Year	3,93,057	4,01,320
Service Cost :-		
Current service cost	1,39,997	2,21,011
Interest Cost	25,923	26,065
Benefit payments directly by employer		
Actuarial (Gain) / Loss - Demographic	(31,205)	-
Actuarial (Gain) / Loss - Financial	1,962	(4,134)
Actuarial (Gain) / Loss - Experience	(2,48,064)	(2,51,205)
<b>Defined Benefit Obligation at the end of Current Year</b>	<b>2,81,670</b>	<b>3,93,057</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	3,93,057	4,01,320
Defined benefit cost included in P&L	1,65,920	2,47,076
Total remeasurements included in OCI	(2,77,308)	(2,55,339)
Direct benefit payments by Employer		
<b>Net defined benefit liability (asset) - end of period</b>	<b>2,81,669</b>	<b>3,93,057</b>
<b>IV Expense recognised in the statement of profit or loss during the year</b>		
Service cost	1,39,997	2,21,011
Net interest cost	25,923	26,065
<b>Total expense recognised in the employee benefit expense</b>	<b>1,65,920</b>	<b>2,47,076</b>
<b>V Recognised in other comprehensive income for the year</b>		
Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO	(31,205)	-
Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	1,962	(4,134)
Actuarial (Gain) / Loss due to Experience on DBO	(2,48,064)	(2,51,205)
<b>Cumulative OCI - (Income)/Loss, End of Period</b>	<b>(2,77,307)</b>	<b>(2,55,339)</b>



<b>VI</b>	<b>Maturity profile of defined benefit obligation</b>		
	Year 1	510	566
	Year 2	40,025	583
	Year 3	36,710	39,901
	Year 4	33,670	40,729
	Year 5	37,173	39,566
	Year 6 to 10	1,33,849	1,82,406
<b>VII</b>	<b>Quantitative sensitivity analysis for significant assumptions is as below</b>		
	<b>a) Impact of change in discount rate</b>		
	Present Value of obligation at the end of the period		
	Discount rate - 100 basis points	3,02,646	4,37,553
	Discount rate + 100 basis points	2,63,054	3,55,088
	<b>Impact of change</b>		
	Discount rate - 100 basis points	(20,976)	(44,496)
	Discount rate + 100 basis points	18,616	37,969
	<b>b) Impact of change in salary</b>		
	Present Value of obligation at the end of the period		
	Rate - 100 basis points	2,63,136	3,55,216
	Rate + 100 basis points	3,02,136	4,36,496
	<b>Impact of change</b>		
	Discount rate - 100 basis points	18,534	37,841
	Discount rate + 100 basis points	(20,466)	(43,439)
<b>VIII</b>	<b>Actuarial assumptions</b>		
	Discount Rate	6.50%	6.60%
	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 (2012-14) Ultimate
	Withdrawal rate	15.00%	10.00%

The actuarial valuation of the present valuation of defined benefit obligation were carried out as at March 31, 2022. 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.





## 27. Disclosure related to key financial ratios:

Key financial ratios	Numerator	Denominator	Current period 31 March 2022	Previous period 31 March 2021	% Variance	Reason for variance
a. Current ratio	Current assets	Current liabilities	0.56	0.64	-14%	N/A
b. Debt-equity ratio	Total debt	Shareholder's equity	-1.07	-1.31	-22%	N/A
c. Debt service coverage ratio	Earnings available for debt service*	Debt service**	(0.26)	(0.56)	-111%	Change in ratio is due to increase in borrowings by Rs. 2,21,00,000 in comparison to previous year for completion of SMART K project and operational expenses.
d. Return on equity	Net profits after taxes – Preference dividend	Average shareholder's equity	0.49	0.89	-82%	Reduction in the ratio is due to change in the shareholders fund due to losses during the year.
e. Inventory turnover Ratio	Cost of goods sold or sales	Average inventory	0.19	0.16	14%	N/A
f. Trade receivables turnover ratio	Net credit sales	Average accounts receivable	2.26	5.63	-149%	Change in ratio is due to increase in Value of trade receivable by Rs. 84,20,420 in comparison to previous year.
g. Trade payables turnover ratio	Net credit purchases	Average trade payables	0.19	0.03	86%	Change in ratio is due to increase in value of payable by Rs 89 Lakh in comparison to previous year.
h. Net capital turnover ratio	Net sales	Working capital	-0.35	-0.56	-59%	Ratio changed due to increase in sales and increase in trade receivables from previous year.
i. Net profit ratio	Net profit	Net sales	(2.99)	(4.47)	-49%	Ratio changed due to increase in sales, reduction in amount of depreciation and amortization and other misc expenses as a result net loss reduced by Rs. 67,97,844.
j. Return on capital employed	Earning before interest and taxes	Capital employed***	0.52	0.70	-35%	Change in ratio is due to change in earning before interest and tax due to increase in sales and reduction in expenses.
k. Return on investment #	$\frac{MV(T1) - MV(T0) - \text{Sum } [C(t)]}{\text{Sum } [C(t)]}$	$\frac{MV(T0) + \text{Sum } [W(t) * C(t)]}{\text{Sum } [C(t)]}$	NA	NA		

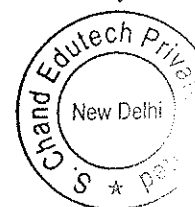
\*Earning for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale

\*\*Debt service = Interest and lease payments + Principal repayments

\*\*\*Capital employed = Tangible net worth + Total debt + Deferred tax liability



*(Handwritten signature)*



28. In absence of certainty of having future taxable profits, company has not recognised deferred tax asset.
29. Expenditure incurred on various intangible asstes under development and status of completion is certified by management. Salary of Rs 17.35 Lacs are capitalised during the year ended 31st March 2022.
- 30 a) In developing the assumptions relating to possible uncertainties in the business conditions because of the pandemic, the Company, as on the date of approval of these financials results have used variable information as available and considered the possible effects that may result from COVID-19 on the carrying amount of its assets i.e. assessing counterparty credit risk in case of financial assets (comprising cash and cash equivalents and bank deposits) and subsequent recoveries, past trends, credit risks profile of customers in case of trade receivables and advances to vendors. The company expects to recover the carrying amount of the assets . The Company while assessing Right to Use Asset and Intangible Assets , has considered past trend, future business projections, performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of other assets will be recovered and does not foresee either significant down-sizing in the operations or any changes in lease terms.
- b) As at the balance sheet date, the Company has evaluated the impact of COVID 19 on its financial results The impact of COVID 19 may differ from that estimated as at the date of approval of these financial statements. The management has assessed the impact of the closure of all educational institutions during the past 25 months and especially preschools which form the main customer base for the Company. Despite increase in revenue and reduction in expenses company continue to suffer losses, however losses during the year have reduced. Net worth of the company is negative at a figure of Rs 8.36 cores that raises significant doubt about the appropriation of going concern assumptions. SmartK Product launched in Dec-21 got a very good response and company expect revenue of around 4 crore in 2022-23 from Smart K Business and further company got a valuation of Rs 5.02 Crore for the test coach project which is under the process of sale to ultimate holding company. This will reduce the borrowing cost and will improve the bottom line. The Company has assessed that the Revenue from the Curriculum Solutions along with the online platform developed during the year will enable the Company to provide a Blended Learning Solution to schools which can be coupled with the various activities which form the part of the Curriculum Solution , SmartK. The Inventories held though slow moving will be supplied in the forth coming periods at a price not lower than the value stated in the books as new customers are signed and old ones renewed. The management is of the view that despite the impact of COVID-19 , the demand for the company's products will grow and gain further acceptability since they are designed keeping in mind the New Education Policy concepts of collaborative and activity based learning. and management is of the view that with the continued support from the Holding company it will be able to curtail the losses in the next year and will start generating cash surplus . Hence the management is of the view that there is no reason to impair the investment made in creation of the content / activities (intangible assets) and inventories held.
- c) There have been no material changes in the controls or processes followed in the financial statements closing process of the company. The company will continue to monitor any future changes to the business and financial statements due to COVID-19
- d) The management, based on its current and future business plans, after considering COVID 19 impact, has assessed that the Company's ability to meet its contractual obligations and liabilities that fall due in near future , is dependent upon sufficient generation of revenue from the Intangible Asset, timely realization of debtors collections and support from the Holding Company. The management has assessed that Intangibles will generate enough revenues in the Financial year 2022-23 to reduce losses, it will be able to realize the collections on timely basis despite COVID 19 challenges and would be able to arrange sufficient funding from the Holding Company , if required, to ensure continuity of operations.

In this backgrounds, as per Assessment of the management the Going Concern is not affected as no material uncertainty exists with regard to assumption of Going Concern.

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Additional Regulatory Information;

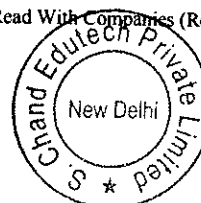
- a) The Company has not borrowed from the banks and financials institutions. Therefore the requirement of utilisation of the same is not applicable.
- b) The company does not own any Immovable property on the date of Balance Sheet and therefore the requirement of disclosures regarding the Title Deed is not applicable.
- c) The company does not own Investment Property on the date of balance sheet and therefore the requirement of disclosures regarding the fair value is not applicable.
- d) The company has not revalued its PPE (Including ROU Asset) and its intangible assets during the year and hence disclosure regarding basis of revaluation is not applicable.
- e) The company has not granted any loans or advances in the nature of loans to Promoters, Directors, KMP and the related parties either severally or jointly with any other person which is either repayable on demand or without specifying any terms or period of demand and therefore requirement of disclosure of such loan/ advance is not applicable.
- f) No Proceedings Have Been Initiated Or Pending against The Company for holding any Benami Property Under The Benami Transactions (Prohibition) Act ,1988 (45 Of 1988) And The Rules Made Thereunder.
- g) Company has not borrowed any funds from the bank inter alia against the current assets of the company therefore the requirement of submission of quarterly returns is not applicable.

Company has not been declared as Wilfull defaulter by any bank or financial Institution or any other lender.

- h) The Company has not done any transaction with Struck off Companies during the year and therefore no balance whether Payable/ Receivable /Investment In Securities Or shares Of the company held by such struck off companies or any other outstandings exist on the Balance Sheet date.
- i) In absence of any secured loans the requirements of filing of charge with ROC is not applicable.
- j) The company has complied with the number of layers prescribed under Clause (87) of Section 2 Of the Act Read With Companies (Restriction On Number Of Layers) Rules 2017.



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

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

m) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)

n) The company has not traded or invested in any crypto-currency or virtual currency during the year under audit.

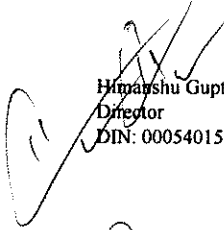
o) In view of the losses the requirement of spending the amount under Sec-135 regarding Corporate social responsibility is not applicable.

p) Company has not applied any accounting policy retrospectively or has made a restatement of items in Financial Statements or has reclassified items In The Financial Statements.

32 Figures for the previous year have been regrouped / reclassified, wherever necessary, to correspond with the current period's classifications / disclosures.

**M. K. Madan**  
Proprietor  
Membership No. 082214

Place : New Delhi  
Date : 16/05/2022

  
**Himanshu Gupta**  
Director  
DIN: 00054015

  
**Saurabh Mittal**  
Director  
DIN: 01402533

