



MADAN & ASSOCIATES

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SAFARI DIGITAL EDUCATION INITIATIVE PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Safari Digital Education Initiatives Pvt Ltd** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together



with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Standalone Financial Statements

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



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

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

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

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

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

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



to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- (c) the balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- (g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For Madan & Associates

Chartered Accountants

Firm’s registration number: 000185N

M. K. Madan

M. K. Madan

Proprietor

Membership number: 082214

Place: New Delhi

Date: 23-05-2019



Annexure - A to the Auditors' Report

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

- (i) In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the said programme, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Company does not have any immovable property and therefore requirements of title deeds as per para 3(i)(c) of the order are not applicable.
- (ii) In respect of its inventories:
 - (a) As explained to us, inventories have been physically verified during the year by the Management at close of the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). The company has charged interest @ 12% per annum and on the basis of information and explanation given, in our opinion the terms and conditions are not prima facie prejudicial to the interest of the company.
- (iv) In our opinion and according to the information and explanations given to us and certified by the company loans and investments made are in compliance of section 185 and 186 of the Act and in respect of loans & advances made in earlier years, company believes that it is exempt from the provisions of section 186(7) of the Act.



- (v) According to the information and explanation given to us, the company has not accepted any deposits during the year.
- (vi) Requirements of maintenance of cost records are not applicable to the company.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has generally been regular in depositing undisputed statutory dues, including provident Fund, income tax, service tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31.03.2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, service tax, cess which have not been deposited as at 31.03.2019 on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not borrowed any loans from a financial institution, banks, Government during the year and hence requirement of para 3(viii) of the order regarding the repayment of loans is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, Provisions of section 197 read with Schedule V to the act are not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.



- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment / private placement of shares to company under same management.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Madan & Associates
Chartered Accountants
Firm's registration number: 000185N

M. K. Madan

M. K. Madan
Proprietor
Membership number: 082214



Place: New Delhi
Date: 23-05-2019

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Safari Digital Education Initiatives Private Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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



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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



For Madan & Associates

Chartered Accountants

Firm's registration number: 000185N

M. K. Madan

M. K. Madan

Proprietor

Membership number: 082214

Place: New Delhi

Date: 23-05-2019

Safari Digital Education Initiatives Pvt. Ltd.
CIN: U80904DL2010PTC204512
Balance sheet as at 31 March 2019

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	3	20,432,810	22,525,417
Intangible assets	4	169,924,532	70,701,430
Intangible assets under development	4	49,058,252	14,328,634
Financial assets			
- Investments	5A	418,645,834	485,915,834
- Loans	5C	108,567,077	128,547,139
Other non-current assets	7	10,358,977	2,469,707
Deferred tax assets (net)	8	53,615,061	26,582,482
Total non-current assets		830,602,543	751,070,644
Current assets			
Inventories	6	20,410,644	6,568,643
Financial assets			
- Trade receivables	5B	180,411,961	98,185,283
- Loans	5C	8,181,000	220,000
- Cash and cash equivalents	5D	569,380	2,203,583
Other current assets	7	28,244,422	18,456,299
Total current assets		237,817,407	125,633,807
Total assets		1,068,419,950	876,704,451
Equity and liabilities			
Equity			
Equity share capital	9	443,692,680	443,692,680
Other equity	10	(222,587,097)	(79,250,063)
Total equity		221,105,583	364,442,617
Non-current liabilities			
Financial liabilities			
- Borrowings	11	645,174,365	441,615,924
Provisions	14	5,000,625	2,951,063
Other non-current liabilities	15	1,144,483	1,496,408
Deferred tax liabilities (net)	8	-	-
Total non current liabilities		651,319,473	446,063,395
Current liabilities			
Financial liabilities			
- Trade payables	12	14,419,733	3,424,176
Total Outstanding dues of micro and small enterprises		161,991,697	51,248,610
Total Outstanding dues of creditors other than micro and small enterprises			
- Other financial liabilities	13	13,849,580	6,555,224
Provisions	14	577,154	256,083
Other current liabilities	15	5,156,730	4,714,346
Total current liabilities		195,994,894	66,198,439
Total equity and liabilities		1,068,419,950	876,704,451
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

M. K. Madan

M K Madan
Proprietor
M. No. 082214
FR NO. 000185N



Place : New Delhi
Date : 23/05/2019

For and on behalf of the Board of Directors of
Safari Digital Education Initiatives Pvt. Ltd.

Saurabh Mittal
Saurabh Mittal
Director
DIN: 01402533

Rajagopalani Chandrashekar
Rajagopalani Chandrashekar
Director
DIN: 03634002

Sheeba Dhamija
Sheeba Dhamija
Company Secretary
Mem No: A29705

Vinay Sharma
Vinay Sharma
Chief Executive Officer

Dinesh Sharma
Dinesh Sharma
Chief Financial Officer

Safari Digital Education Initiatives Pvt. Ltd.
CIN: U80904DL2010PTC204512
Statement of Profit and Loss for the Year ended 31 March 2019

Particulars	Notes	(Amount in Rs.)	
		For the year ended 31 March 2019	For the year ended 31 March 2018
I Revenue from Operations	16		
II Other Income	17	175,874,875	116,260,303
III Total Income (I+II)		<u>27,022,307</u>	<u>22,691,378</u>
		<u>202,897,182</u>	<u>138,951,681</u>
IV Expenses			
Purchase of Stock-in-trade	18	82,166,176	40,319,520
(Increase)/decrease in inventories of finished goods	20	(13,841,999)	(1,906,977)
Employee benefits expense	21	71,057,370	43,165,156
Finance cost	22	55,420,476	41,122,083
Depreciation and amortisation expense	23	20,952,632	9,817,186
Selling & Distribution Expenses	24b	44,232,367	19,838,691
Other expenses	24a	45,602,566	27,787,178
Total expenses		<u>305,589,588</u>	<u>180,142,837</u>
V Profit/(loss) before exceptional items and tax (I-II)		(102,692,406)	(41,191,156)
VI Provision for diminution in value of investments	5a	67,270,000	
VII Profit/(loss) before tax		<u>(169,962,406)</u>	<u>(41,191,156)</u>
VIII Tax expense:			
Current tax			
Income tax adjustment related to earlier years			
Deferred tax (credit)/ charge			
Total tax expenses		<u>(26,926,704)</u>	<u>(26,231,430)</u>
IX Profit (Loss) for the period		(143,035,701)	(14,959,725)
X Other Comprehensive Income			
- Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans	25	(407,207)	1,363,309
Tax impact on re-measurement gain/ (loss) on defined benefit plans		105,874	351,052
XI Total Comprehensive Income for the period (V + VI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		<u>(143,337,034)</u>	<u>(13,245,364)</u>
XII Earnings per equity share:			
(1) Basic	26	(3.22)	(0.34)
(2) Diluted		(3.22)	(0.34)
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

M.K. Madan

M K Madan
Proprietor
M. No. 082214
FR NO 000185N



Place : New Delhi
Date : 23/05/2019

For and on behalf of the Board of Directors of
Safari Digital Education Initiatives Pvt. Ltd.

Saurabh Mittal
Saurabh Mittal
Director
DIN: 01402533

Rajagopalan Chandrashekar
Rajagopalan Chandrashekar
Director
DIN: 03634002

Sheeba Dhamija
Sheeba Dhamija
Company Secretary
Mem No: A29705

Vinay Sharma
Vinay Sharma
Chief Executive Officer

Dinesh Sharma
Dinesh Sharma
Chief Financial Officer

Safari Digital Education Initiatives Pvt. Ltd.
CIN: U80904DL2010PTC204512
Cash flow statement for the year ended 31 March 2019

	31 March 2019 (Amount in Rs.)	31 March 2018 (Amount in Rs.)
Cash flow from operating activities		
Profit before tax	(169,962,406)	(41,191,156)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	20,952,632	9,817,186
Interest expense	55,420,476	41,405,685
Provision for Doubtful Debts/Bad Debts	4,202,227	422,007
Foreign Exchange Fluctuations (Net)	(0)	41,572
Balances Written off	-	97,201
Provision for diminution in Investment	67,270,000	-
Employee Benefit Expenses	(407,207)	1,372,431
Fair value gain on current financial instruments	(1,127,668)	(943,384)
Interest income	(8,872,090)	(6,751,256)
Operating profit before working capital changes	(32,524,036)	4,270,286
Movements in working capital :		
Increase in trade payables	121,738,644	27,600,322
Increase in provisions	2,370,633	554,718
Increase in other current liabilities	7,384,815	4,673,366
(Increase) in trade receivables	(86,428,905)	(65,945,937)
(Increase) in inventories	(13,842,001)	(1,906,980)
(Increase) in other financial assets	(18,587,255)	(6,491,382)
Cash generated from operating activities	(19,888,106)	(37,245,607)
Direct taxes paid (net of refunds)	-	-
Net cash flow from operating activities (A)	(19,888,106)	(37,245,607)
Cash flows from investing activities		
Purchase of fixed assets, including capital work in progress	(152,812,745)	(50,928,534)
Interest Received	8,872,090	6,751,256
Payment Proceeds from Loans & advances	14,056,593	1,405,259
Purchase of non current investments	-	(253,073)
Net cash used in investing activities (B)	(129,884,062)	(43,025,092)
Cash flows from financing activities		
Proceeds from long-term borrowings	203,558,441	121,256,174
Interest paid	(55,420,476)	(41,405,685)
Net cash (used in)/flow from financing activities (C)	148,137,965	79,850,489
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(1,634,203)	(420,211)
Cash and cash equivalents at the beginning of the year	2,203,583	2,623,794
Cash and cash equivalents at the end of the year	569,380	2,203,583
Components of cash and cash equivalents		
Cash on hand	389,271	51,603
Balances with banks		
- on current account	180,109	2,151,980
Total cash and cash equivalents (note 16)	569,380	2,203,583

Summary of significant accounting policies

2.1

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

For Madan & Associates
Chartered Accountants

M K Madan

M K Madan
Proprietor
M. No. 082214

FR NO. 000185N

Place : New Delhi

Date : 23-5-2019



For and on behalf of the Board of Directors of
Safari Digital Education Initiatives Pvt. Ltd.

Saurabh Mittal

Saurabh Mittal
Director
DIN: 01402533

Sheeba Dhamija

Sheeba Dhamija
Company Secretary
Mem No: A29705

Rajagopalan Chandrashekar

Rajagopalan Chandrashekar
Director
DIN: 03634002

Vinay Sharma

Vinay Sharma
Chief Executive Officer

Dinesh Sharma

Dinesh Sharma
Chief Financial Officer

Safari Digital Education Initiatives Pvt. Ltd.
 CIN: U80904DL2010PTC204512
 Statement of changes in equity for the Year ended 31st March 2019

A. Equity share capital:

Equity shares	No. of shares	Amount in Rs.
Issued, subscribed and fully paid up (Share of Rs. 10 each)		
At 31 March 2018	44,369,268	443,692,680
Increase/(decrease) during the year	-	-
At 31 March 2019	44,369,268	443,692,680

B. Other equity

Particulars	Reserve & Surplus		Total
	ESOPs reserve	Retained earnings	
Balance as at 1st April 2018	1,144,939	(80,395,002)	(79,250,063)
Changes in accounting policy / prior period errors	-	-	-
Restated balance at the beginning of the reporting period	1,144,939	(80,395,002)	(79,250,063)
Profit for the year	-	(143,035,701)	(143,035,701)
Other comprehensive income for the year	-	(301,333)	(301,333)
Total Comprehensive Income for the year	-	(143,337,034)	(143,337,034)
Changes during the year	(1,144,939)	1,144,939	-
Balance as at 31st March, 2019	-	(222,587,097)	(222,587,097)



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Safari Digital Education Initiatives Pvt. Ltd.
 FIXED ASSETS (As per Companies Act)
 For the Year ended 31st Mar 2019

SNO.	ASSETS CLASS	GROSS BLOCK		ADDITIONS DURING THE PERIOD	DISPOSAL DURING THE PERIOD	IMPAIRMENT LOSS 31.03.2019	CLOSING BALANCE 31.03.2019	Useful Life (years)	DEPRECIATION		NET BLOCK	
		OPENING BALANCE 01.04.2018	OPENING BALANCE 01.04.2018						PROVIDED DURING THE PERIOD	ON DISPOSAL DURING THE PERIOD	CLOSING BALANCE 31.03.2019	CLOSING BALANCE 31.03.2019
(a)	Fangible Assets											
1	Furniture & Fixtures	6,769,110	488,210				7,257,320	10		671,177		5,474,548
2	Office Equipment	16,358,238	163,171				16,521,409	5		4,999,158		10,125,589
3	Computers & Peripherals	3,623,378	4,582,460				8,205,838	3		1,656,113		4,832,673
	Total	26,750,726	5,233,841				31,984,567			7,326,448		22,525,417
(b)	Intangible assets											
1	INTANGIBLE ASSETS	80,644,131	112,731,850				193,375,981	10		13,492,082		169,762,313
2	INTANGIBLE ASSETS- SOFTWARE	398,920	117,436				516,356	3		134,107		354,136
	Total	81,043,051	112,849,286				193,892,337			13,626,184		169,924,532
(c)	Capital Development In Progress											
1	Content WIP	14,328,634	85,364,668		50,635,050		49,058,252					49,058,252
	Total	14,328,634	85,364,668		50,635,050		49,058,252					14,328,634
	Current Year Total	122,122,411	203,447,795		50,635,050		274,935,156			20,957,632		35,519,562
							14,566,980			20,957,632		239,415,594
												107,555,481



Vinesh

Shreebha

KS

3. Property, plant and equipment

Particulars	(Amount in Rs.)			
	Furniture & Fixtures	Office Equipment	Computers & Pheripherals	Total
Gross block				
As at 1 April 2018				
Additions	6,769,110	16,358,238	3,623,378	26,750,726
Disposals	488,210	163,171	4,582,460	5,233,841
As at 31 March 2019	7,257,320	16,521,409	8,205,838	31,984,567
Accumulated depreciation				
As at 1 April 2018	1,111,595	1,396,662	1,717,052	4,225,309
Charge for the year	671,177	4,999,158	1,656,113	7,326,448
Deductions				
As at 31 March 2019	1,782,772	6,395,820	3,373,165	11,551,757
Net block				
As at 31 March 2018	5,657,515	14,961,576	1,906,326	22,525,417
As at 31 March 2019	5,474,548	10,125,589	4,832,673	20,432,810

4. Intangible assets

Particulars	(Amount in Rs.)			
	Intangible Assets	Intangible Assets- Software	Intangible assets under development	Total
Gross block				
As at 1 April 2018	80,644,131	398,920	14,328,634	95,371,685
Purchases/internal development	112,731,850	117,436	85,364,668	198,213,954
Disposals/Capitalisation			(50,635,050)	(50,635,050)
As at 31 March 2019	193,375,981	516,356	49,058,252	242,950,589
Accumulated depreciation				
As at 1 April 2018	10,121,586	220,034	-	10,341,621
Amortization for the year	13,492,082	134,102	-	13,626,184
Deductions				
As at 31 March 2019	23,613,668	354,136	-	23,967,805
Net block				
As at 1 April 2018	70,522,545	178,886	14,328,634	85,030,064
As at 31 March 2019	169,762,313	162,220	49,058,252	218,982,784

Note 1 : Includes Rs 2,36,55,627/- (PY : 1,27,89,887/-) towards capitalization of Salary and reimbursements made to employees during the Period and Rs 43,02,155/- (PY : 27,83,586/-) which pertains to administrative expenses. Amortisation is done on the basis of estimated use of 10 years.

Note 2: Details of intangible assets under development & Intangibles:

Intangible assets under development:

Particulars	Closing Balance	Expected Date of Completion	Expected Cost
Curriculum Content	2,736,630	30/06/2019	4,500,000
Content development	641,916	31/05/2019	450,000
HCL Content	45,025,282	30/06/2019	2,500,000
CRM Implementation & Development	654,424	30/09/2019	500,000
Total	49,058,252		

Intangibles:

Particulars	Opening Balance	Additions	Deletions	Closing Balance
My Study Gear App Development	16,053,876	4,225,964		20,279,840
Content-DR1	626,094			626,094
Milestone	56,416,736	46,234,646		102,651,382
Content Licences	5,697,426			5,697,426
Content Test Generator	590,000			590,000
Assessment Test Generator Milestone		1,271,240		1,271,240
Digital Content		61,000,000		61,000,000
Total	79,384,132	112,731,850	-	192,115,982

Note 3: Amortisation Includes Impairment Rs. 45,57,941/- (PY-Nil)





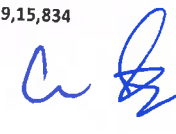
Vinay *Sheela* *A* *S*

5. Financial Assets

5A. Investments

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
a. Investments at Transaction cost/amortised cost		
i. Investments in equity shares (Unquoted)		
Investments in companies under same management		
S. Chand Edutech Pvt. Ltd. (21,270 (PY 21270) Equity Shares of Rs. 10/- each)	2,10,473	2,10,473
Investment in associates		
Edutor Technologies (India) Pvt. Ltd. (20,25,766 (PY 20,25,766) Equity Shares of Rs. 2/- each) Less: Diminution in Investment	23,58,27,993 (6,72,70,000)	23,58,27,993
Net Investment in Edutor Technologies (India) Pvt. Ltd.	16,85,57,993	-
D S Digital Pvt. Ltd. (1,70,37,165 (PY 1,70,37,165) Equity Shares of Rs. 10/- each)	13,60,85,974	13,60,85,974
Investment in others		
Gyankosh Solutions Pvt Ltd (100 (PY 100) Equity Shares of Rs. 10/- each at a premium of Rs. 65.50 per share, as per Share Purchase Agreement)	7,550	7,550
Testbook Edu Solutions Pvt Ltd (100 Equity Shares of Rs. 10/- each at a premium of Rs. 8234/- per share, as per Share Purchase Agreement)	8,26,551	8,26,551
Investments in preference shares	30,56,88,541	37,29,58,541
Investment in associates		
D S Digital Pvt. Ltd. (61,70,400 Preference Shares of Rs. 10/- each)	6,17,04,000	6,17,04,000
Investment in others at Costs		
Gyankosh Solutions Pvt Ltd (3,19,900 Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each at a premium of Rs. 65.50 per share, as per Share Purchase Agreement)	2,41,52,450	2,41,52,450
Testbook Edu Solutions Pvt Ltd (2,690 Compulsory Convertible Cumulative Preference Shares of Rs. 500/- each at a premium of Rs. 7744/- per share, as per Share Purchase Agreement)	2,22,34,209	2,22,34,209
Next Door Learning Solutions Pvt Ltd (353 Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each at a premium of Rs. 13776.50 per share, as per Share Purchase Agreement)	48,66,635	48,66,635
Net investments	11,29,57,294	11,29,57,294
Current	41,86,45,834	48,59,15,834
Non-Current	41,86,45,834	48,59,15,834



5B. Trade receivables

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables		
Unsecured, considered good*	17,48,41,255	9,55,96,275
Trade Receivable from Related Party	55,70,706	25,89,008
Doubtful	38,58,205	
	18,42,70,166	9,81,85,283
Less: Allowance for expected credit loss		
Unsecured, considered good	(38,58,205)	
	(38,58,205)	
Net Trade receivables		
Unsecured, considered good	18,04,11,961	9,81,85,283
	18,04,11,961	9,81,85,283
Current		
Non-Current	18,04,11,961	9,81,85,283

* In absence of the confirmation considered good by the management.



Amir King Shabir C.A. S2

Safari Digital Education Initiatives Pvt. Ltd.
 CIN: U80904DL2010PTC204512
 Notes to financial statement as at 31 March 2019

5C. Loans

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Security deposits - Non Current		
Security deposits - Current	5,369,527	4,262,641
Loan to JSR Marketing Pvt Ltd **	-	220,000
Loan to Related Parties	27,950,796	35,540,179
S. Chand Edutech Pvt.Ltd.		
D S Digital Pvt. Ltd.	24,035,654	21,843,645
Loan to Employee *	56,766,774	63,430,674
	2,625,326	3,470,000
Total Loans and Advances	116,748,077	128,767,139
Current		
Non-Current	8,181,000	220,000
	108,567,077	128,547,139

5C.1 Employee advance of Rs 34.70 Lacs is regrouped under Loans from Other Assets and the fair value is computed as per IND AS.

** Loan from JSR Marketing Pvt Ltd will be recovered in 5 Years.

5D. Cash and cash equivalents

Particulars	As at	
	31 March 2019	31 March 2018
Balances with banks		
- In current accounts		
Cash in hand	180,109	2,151,980
Total Cash and cash equivalents	389,271	51,603
	569,380	2,203,583

6. Inventories

Particulars	As at	
	31 March 2019	31 March 2018
Finished Goods		
Traded Goods*	20,410,642	6,568,640
Less : Provision for slow & non moving goods	20,410,642	6,568,640
Total Inventories	20,410,642	6,568,640

* As certified by the management.



Vinay Shekhar

7. Other Assets

7A. Prepaid expenses

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Prepaid expenses (Non current)	10,358,977	2,469,707
Prepaid expenses (Current)	2,883,088	3,880,229
Total Prepaid expenses	13,242,065	6,349,936

7B. Other assets

Particulars	As at	
	31 March 2019	31 March 2018
Advances to Suppliers	1,660,216	216,008
Advances to Employees *	699,781	1,685,819
Balance with Govt Authorities	23,001,337	12,674,242
Total Other assets	25,361,334	14,576,069
Current	28,244,422	18,456,299
Non-Current	10,358,977	2,469,707

* Loan to Employee of Rs 34.70 Lacs has been transferred to Note 5C.

8. Deferred taxes

Particulars	As at	
	31 March 2019	31 March 2018
Items leading to creation of deferred tax assets		
Impact on account of brought forward losses & depreciation of income tax	58,807,566	30,821,233
Fixed assets: impact of differences between tax depreciation and depreciation/ amortization charged in the financial statements		
Provision for doubtful debt & advances	1,003,133	
Others	1,450,223	930,583
Provision for dimunition in investment		
Total deferred tax assets	61,260,922	31,751,816
Items leading to creation of deferred tax liabilities		
Fixed assets: impact of differences between tax depreciation and depreciation/ amortization charged in the financial statements	(7,645,861)	(5,169,334)
Impact of Ind AS adjustments		
Total deferred tax liabilities	(7,645,861)	(5,169,334)
Net deferred tax assets/(liabilities)	53,615,061	26,582,482

In View of Pending Merger of Mylestone Project with S Chand And Company Limited (Holding Company) and virtual probability of earning temporary taxable difference in future, deferred tax asset has been created.



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9. Share Capital

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Authorised		
4,50,00,000 (31 March 2018: 4,50,00,000) equity shares of Rs 10/- each	450,000,000	450,000,000
Issued, subscribed and fully paid up		
4,43,69,268 (31 March 2018: 4,43,69,268) equity shares of Rs 10/- each	443,692,680	443,692,680
	<u>443,692,680</u>	<u>443,692,680</u>

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

Equity shares	Numbers	Amount in Rs.
As at 1 April 2018	44,369,268	443,692,680
Increase/(Decrease) during the year		
As at 31 March 2019	<u>44,369,268</u>	<u>443,692,680</u>

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been proposed by the Board of Directors during the year ended 31 March 2019 (31 March 2018: 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 their subsidiaries

	31 March 2019	31 March 2018
	(Rs.)	(Rs.)
S Chand And Company Limited, holding company	265,840,680	265,840,680
Dinesh Kumar Jhunjhnuwala (As nominee of S Chand And Company Limited)	1,000	1,000
Nirja Publishers & Printers Pvt Ltd	177,850,000	177,850,000
Vikas Publishing House Pvt Ltd	1,000	1,000

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

	No. of shares held	% of holding
S Chand And Company Limited, holding company *		
As at 31 March 2018	26,584,168	59.92%
As at 31 March 2019	26,584,168	59.92%
Nirja Publishers and Printers Pvt Ltd		
As at 31 March 2018	17,785,000	40.08%
As at 31 March 2019	17,785,000	40.08%

* 100 Equity Shares held by Dinesh Kumar Jhunjhnuwala (As nominee of S Chand And Company Limited)

10. Other Equity

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Retained earning		
Balance as the Beginning of reporting period		
Add: Surplus during the year	(80,395,002)	(67,149,638)
Add: Other Comprehensive income	(142,192,095)	(13,245,364)
Balance as the end of reporting period	<u>(222,587,097)</u>	<u>(80,395,002)</u>
ESOPs reserve		
Balance as the Beginning of reporting period		
Increase/(Decrease) during the year	1,144,939	1,135,817
Balance as the end of reporting period ©	<u>(1,144,939)</u>	<u>9,122</u>
		<u>1,144,939</u>
Total (A+B+C+D)	<u>(222,587,097)</u>	<u>(79,250,063)</u>

Employee stock compensation

In 2012, the ultimate holding company instituted the ESOP Scheme 2012 (the "ESOP 2012"). Under the ESOP plan, the committee may grant awards of equity based stock options being Growth options to the employees of ultimate holding company and its subsidiaries. As per the Indian Accounting Standard (Ind AS) 102 "Share based payments", the Company receiving the services shall measure the services received as an equity settled transaction and required to record compensation cost and disclose information relating to the shares granted to the employees of the Company, under the above Plan. Since, the plan is assessed, managed and administered by the ultimate holding company, the Company has taken stock option cost pertains to options granted to the employee of the Company as calculated by the ultimate holding Company under Ind AS 102. In view of non exercise of options within the prescribed time Reserves created in earlier years is reversed.



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Safari Digital Education Initiatives Pvt. Ltd.

CIN: U80904DL2010PTC204512

Notes to financial statement as at 31 March 2019

11. Non-current borrowings

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Loan from related party		
- Nirja Publishers & Printers Pvt. Ltd. (Note 1)	285,240,869	260,096,454
- S Chand And Company Limited. (Note 2)	159,552,227	84,556,582
- Eurasia Publishing House Pvt Ltd (Note 3)	103,618,607	94,315,940
- Chhaya Prakashani Pvt. Ltd (Note 4)	93,798,080	-
Security Deposit Received-Premises (from S Chand And Company Limited -Holding Company)	2,964,582	2,646,948
Total Non-current borrowings	645,174,365	441,615,924
Secured		
Unsecured	645,174,365	441,615,924

- 1 Optionally Convertible loan amount Rs. 20,12,00,000/- (PY - Rs. 20,12,00,000/-) & Interest amount Rs. 8,40,40,869/- (PY - Rs. 5,88,96,454/-)
- 2 Optionally Convertible loan amount Rs. 14,99,40,000/- (PY - Rs. 8,34,40,000/-) & Interest amount Rs. 96,12,227/- (PY - Rs.11,16,582/-)
- 3 Optionally Convertible loan amount Rs. 8,25,60,000/- (PY - Rs. 8,25,60,000/-) & Interest amount Rs. 2,10,58,607/- (PY - Rs. 1,17,55,940/-)
- 4 Optionally Convertible loan amount Rs. 9,10,00,000/- (PY - Rs Nil) & Interest amount Rs. 27,98,080/- (PY - Rs. Nil)



A. Vign *Shreeya* *C. S.*

Safari Digital Education Initiatives Pvt. Ltd.

CIN: U80904DL2010PTC204512

Notes to financial statement as at 31 March 2019

12. Trade payables

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Trade payables of micro enterprises and small enterprises *	14,419,733	3,424,176
Trade payables of related entities	149,759,394	46,664,995
Trade payables other than micro enterprises and small enterprises	12,232,303	4,583,615
Total Trade payables	176,411,430	54,672,786
Current	176,411,430	54,672,786
Non-Current		

* On the basis of informations received by the company during the year.



Au Vins *Sheetal* *C. S.*

Safari Digital Education Initiatives Pvt. Ltd.

CIN: U80904DL2010PTC204512

Notes to financial statement as at 31 March 2019

13. Other financial liabilities

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Expenses payable	13,849,580	6,555,224
Total other financial liabilities	13,849,580	6,555,224
Current	13,849,580	6,555,224
Non current		

14. Provisions

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Provision for gratuity	2,559,643	1,367,429
Provision for leave encashment	3,018,136	1,839,717
Total provisions	5,577,779	3,207,146
Current	577,154	256,083
Non current	5,000,625	2,951,063

15. Other liabilities

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
Statutory dues	4,015,386	3,691,377
Advance from customers	789,418	671,043
Other liabilities	1,496,409	1,848,334
Total other liabilities	6,301,213	6,210,754
Current	5,156,730	4,714,346
Non current	1,144,483	1,496,408



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Safari Digital Education Initiatives Pvt. Ltd.
CIN: U80904DL2010PTC204512

Notes to financial statements for the Year ended 31 March 2019

16. Revenue from operations

Particulars	(Amount in Rs.)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products		
- Curriculum Books Sales		
Sale of services	147,238,224	86,337,088
- E- Book Sale *		
- Digital Data Management Services	5,979,006	4,347,407
- Training Income **	12,000,000	12,000,000
- License Fee	3,110,491	7,948,508
Other operating income	7,478,499	5,627,300
Scrap sale		
	68,655	
Total revenue from operations	175,874,875	116,260,303

* As certified by management

** Net of Sales Return of Rs 20.97 Lac.

17. Other incomes

Income from rent		
Income from maintenance	12,282,000	10,680,000
Interest income	707,826	643,478
Fair value gain on financial instrument	8,872,090	6,751,256
	5,160,391	4,616,644
Total other income	27,022,307	22,691,378



Am *Vinay* *Shelby*
C *SB*

Safari Digital Education Initiatives Pvt. Ltd.

CIN: U80904DL2010PTC204512

Notes to financial statements for the Year ended 31 March 2019

18. Purchase of stock-in-trade

Particulars	(Amount in Rs.)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Books purchase	75,695,416	35,757,342
E Books purchase	4,769,281	3,362,734
Test papers & skill assessment reports	1,701,479	1,199,444
	<u>82,166,176</u>	<u>40,319,520</u>

20. (Increase)/decrease in inventories

Particulars	(Amount in Rs.)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the end of the period		
Trade Items	20,410,642	6,568,640
	<u>20,410,642</u>	<u>6,568,640</u>
Inventories at the beginning of the year		
Trade Items	6,568,643	4,661,663
	<u>6,568,643</u>	<u>4,661,663</u>
(Increase)/decrease in inventories	<u>(13,841,999)</u>	<u>(1,906,977)</u>



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Safari Digital Education Initiatives Pvt. Ltd.

CIN: U80904DL2010PTC204512

Notes to financial statements for the Year ended 31 March 2019

21 Employee benefits expenses

Particulars	(Amount in Rs.)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	66,709,312	40,396,314
Contribution to provident and other funds	2,270,862	1,093,368
Gratuity expenses	785,007	1,234,172
Leave encashment	1,212,652	389,982
Staff welfare expenses	79,537	51,320
Total employee benefits expenses	71,057,370	43,165,156

22. Finance cost

Particulars	(Amount in Rs.)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense	55,383,524	41,082,076
Bank charges	36,952	40,007
Total finance cost	55,420,476	41,122,083

23. Depreciation and amortisation expenses

Particulars	(Amount in Rs.)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant & equipment	7,326,448	2,140,430
Amortisation of intangible assets	13,626,184	7,676,756
Total depreciation and amortisation expenses	20,952,632	9,817,186



Manoj Virey *Shreeya*
C *SR*

Safari Digital Education Initiatives Pvt. Ltd.

CIN: U80904DL2010PTC204512

Notes to financial statements for the Year ended 31 March 2019

24 (a). Other expenses

Particulars	(Amount in Rs.)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Repairs & maintenance- others	1,523,918	1,441,160
Legal & professional fees	2,843,168	1,654,068
Payment to auditors	250,000	250,000
Internet & telephone Exps	1,065,003	615,849
Office expenses	643,604	349,899
Books & subscriptions	171,743	143,422
Power & electricity	1,245,170	507,619
Consultancy charges	396,116	70,000
Exchange fluctuation difference	(13,274)	41,572
Rent {Refer Note 24 (a).1}	18,163,480	17,636,368
Rate & taxes	92,660	49,000
Bad debts	344,022	422,007
Provision for doubtful debts	3,858,205	-
Insurance expenses	167,409	297,864
Fair value loss on financial instrument	4,032,723	3,956,862
Miscellaneous expenses (Refer Note 24 (a).2)	10,818,620	351,487
Total other expenses	45,602,566	27,787,178

24(a).1 Excludes Rs. 22,59,956/- (PY - Rs. 10,50,670/-) Capitalised during the year

24(a).2 Includes Reimbursement of Expenses to Holding company Rs 52.11 Lac (PY - Nil), Books Repair Rs 10.57 Lac (PY - Nil), Platform License fee Rs 33.72 Lac (PY - Nil).

24 (b) Selling & distribution expenses

Advertisement expenses	1,369,281	1,423,859
Sales promotion	9,620,432	4,398,622
Travelling & boarding & conveyance expenses	30,272,279	13,679,045
Courier charges	2,970,374	337,165
Total selling & distribution expenses	44,232,367	19,838,691

Payment to auditor

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor		
Audit fee	200,000	200,000
Tax advisory services	50,000	50,000
Out of pocket expenses	-	-
	250,000	250,000

25. Components of Other Comprehensive Income (OCI)

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

During the Period ended 31 March 2019

Particulars	Retained earnings	Total
Re-measurement gains/(losses) on defined benefit plans	(407,207)	(407,207)
Tax impact on re-measurement gains/(losses) on defined benefit plans	105,874	105,874
	(301,333)	(301,333)

During the year ended 31st March 2018



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Particulars	Retained earnings	Total
Re-measurment gains/(losses) on defined benefit plans	1,363,309	1,363,309
Tax impact on re-measurement gains/(losses) on defined benefit plans	351,052	351,052
	1,714,361	1,714,361




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26 Earnings per share

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

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

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit attributable to equity holders of the company	(143,035,701)	(14,959,725)
Weighted average number of equity shares used for computing Earning per Share (Basic & Diluted)	44,369,268	44,369,268
Basic EPS	(3.22)	(0.34)
Diluted DPS	(3.22)	(0.34)
Face Value Per Share	10	10



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Safari Digital Education Initiatives Pvt. Ltd.

CIN: U80904DL2010PTC204512

Notes to financial statements for the Year ended 31 March 2019

27. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Holding Company
Associate Companies / Firms

S. Chand And Company Limited
DS Digital Pvt. Ltd
Editor Technologies (India) Pvt. Ltd.

Companies under same Management

Nirja Publishers & Printers Pvt. Ltd.
Chhaya Prakashani Pvt. Ltd.
S. Chand Edutech Pvt. Ltd.
New Saraswati House (India) Pvt Ltd
Vikas Publishing House Pvt. Ltd
Eurasia Publishing House Pvt. Ltd.
BPI (India) Pvt. Ltd.

Key management personnel

Mr. Saurabh Mittal, Director
Mr. Sharad Talwar, Independent Director
Mr. Rajagopalan Chandrashekar, Independent Director
Mr. Vinay Sharma, Chief Executive Officer
Mr. Dinesh Sharma, Chief Financial Officer
Ms. Sheeba Dharnija, Company Secretary

Related party transactions

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

Particulars	Holding Company		Subsidiaries		Associates		Key management personnel or their relatives		Companies under Same Management		Total	
	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
(A) Transactions												
Sale of Digital & Printed Books					290,784	180,041					290,784	180,041
Editor Technologies (India) Pvt. Ltd					147,300						147,300	
DS Digital Pvt. Ltd.												
QR Code Development Services/Content Licence Fee												
S. Chand And Company Limited	3,050,596	5,627,300									3,050,596	5,627,300
Madhubani (Vikas Publishing House Pvt. Ltd.)											947,782	
New Saraswati House (India) Pvt. Ltd.											3,480,121	
Data Management Services												
Vikas Publishing House Pvt. Ltd											6,000,000	6,000,000
New Saraswati House (India) Pvt. Ltd.											6,000,000	6,000,000
Premises Rent Received												
S. Chand And Company Limited	12,282,000	10,680,000									12,282,000	10,680,000
Purchase of E Books, Printed Books and Digital Content												
S. Chand And Company Limited	3,370,092	2,290,826									3,370,092	2,290,826
Vikas Publishing House Pvt. Ltd											60,963,875	28,546,901
New Saraswati House (India) Pvt. Ltd.											61,225,382	145,711
BPI (India) Pvt. Ltd.											176,963	145,417



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Particulars	Holding Company		Subsidiaries		Associates		Key management personnel or their relatives		Companies under Same Management		Total	
	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
App Development Support Service Received EduTech Technologies (India) Pvt. Ltd					3,406,456						3,406,456	
Interest Income on Loans and Advances Given DS Digital Pvt. Ltd S. Chand Edutech Pvt. Ltd.					6,432,000	6,432,000					6,432,000	6,432,000
Interest Expense on Loan and Advances Received S Chand And Company Limited Ninja Publishers & Printers Pvt. Ltd Chhaya Prakashani Pvt. Ltd Eurasia Publishing House Pvt. Ltd	13,038,785	3,538,430							2,435,566	28,224,264	13,038,785	3,538,430
Maintenance Income and Reimbursement for Electricity S Chand And Company Limited	1,564,751	1,362,472									1,564,751	1,362,472
Management Shared Services S Chand And Company Limited	5,211,341										5,211,341	
Reimbursement of Travel, Filing Fee & Subscriptions S Chand And Company Limited	73,429	130,960									73,429	130,960
Salary, Perks and Allowances Sheeba Dhamija Vinay Sharma Dinesh Sharma							150,000	1,065,479			150,000	1,065,479
Director Sitting Fees Sharad Talwar Balagopalam Chandrashekar							11,349,282	15,492,433			11,349,282	15,492,433
Loans and Advances Received S Chand And Company Limited Ninja Publishers & Printers Pvt. Ltd. Eurasia Publishing House Pvt. Ltd. Chhaya Prakashani Pvt. Ltd.	66,500,000	83,440,000					1,626,488	1,529,136			1,626,488	1,529,136
(B) Outstanding balances at the period end Security Deposit Received S Chand And Company Limited	4,800,000	4,800,000					125,000	250,000			125,000	250,000
Loans and Advances as at 31st Mar 2019 DS Digital Pvt. Ltd. S. Chand Edutech Pvt. Ltd.					56,719,474	63,430,674			22,560,000		56,719,474	63,430,674
									24,035,654	21,843,645	24,035,654	21,843,645

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28 Defined benefit plans:**A. Gratuity**

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

The Company has provided for gratuity based on the actuarial valuation done as per Project Unit Credit Method. The following table sets out for the status of gratuity plan:

Particulars	2018-19	2017-18
I Change in present value of defined benefit obligation during the year		
Defined Benefit Obligation as of Prior Year		
Service Cost :-	13,67,430	14,96,566
Current service cost	6,83,235	11,23,472
Interest Cost	1,01,772	1,10,700
Benefit payments directly by employer		
Actuarial (Gain) / Loss - Demographic		(12,34,703)
Actuarial (Gain) / Loss - Financial	54,575	(5,193)
Actuarial (Gain) / Loss - Experience	3,52,631	(1,23,413)
Defined Benefit Obligation at the end of Current Year	25,59,643	13,67,429
II Change in fair value of plan assets during the year		
There is no plan assets		
III Net asset/ (liability) recognised in the balance sheet		
Net defined benefit liability (asset) at prior year end	13,67,429	14,96,566
Defined benefit cost included in P&L	7,85,007	12,34,172
Total remeasurements included in OCI	4,07,207	(13,63,309)
Direct benefit payments by Employer		
Net defined benefit liability (asset) - end of period	25,59,643	13,67,429
IV Expense recognised in the statement of profit or loss during the year		
Service cost	6,83,235	11,23,472
Net interest cost	1,01,772	1,10,700
Total expense recognised in the employee benefit expense	7,85,007	12,34,172
V Recognised in other comprehensive income for the year		
Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO		(12,34,703)
Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	54,575	(5,193)
Actuarial (Gain) / Loss due to Experience on DBO	3,52,631	(1,23,413)
Cumulative OCI - (Income)/Loss, End of Period	4,07,206	(13,63,309)
VI Maturity profile of defined benefit obligation		
Year 1	1,68,212	2,710
Year 2	1,88,507	1,21,899
Year 3	2,34,225	1,33,679
Year 4	2,82,220	1,62,215
Year 5	3,38,543	1,89,046
Year 6 to 10	13,35,033	7,75,077
VII Quantitative sensitivity analysis for significant assumptions is as below		
a) Impact of change in discount rate		
Present Value of obligation at the end of the period		
Discount rate - 100 basis points	27,56,736	14,77,548
Discount rate + 100 basis points	23,85,062	12,69,797
Impact of change		
Discount rate - 100 basis points	(1,97,093)	(1,10,119)
Discount rate + 100 basis points	1,74,581	97,632
b) Impact of change in salary		
Present Value of obligation at the end of the period		
Rate - 100 basis points	23,87,780	12,71,078
Rate + 100 basis points	27,49,440	14,73,793
Impact of change		
Discount rate - 100 basis points	1,71,863	96,351
Discount rate + 100 basis points	(1,89,797)	(1,06,364)
VIII Actuarial assumptions		
Discount Rate	7.45%	7.45%
Future salary increase	10.00%	10.00%
Retirement Age (years)	58 Years	58 Years
Mortality rates inclusive of provision for disability	IALM (2006-08)	IALM (2006-08)
Withdrawal rate	15.00%	15.00%

The actuarial valuation of the present valuation of defined benefit obligation were carried out as at March 31, 2019. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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



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B. Leave Encashment

In respect of leave encashment benefit, accrual is made on the basis of a year-end actuarial valuation in pursuance of the Company's leave rules.

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

The following table sets out for the status of leave encashment plan:

Particulars	2018-19	2017-18
Change in present value of defined benefit obligation during the year		
Defined Benefit Obligation as of Prior Year	18,39,718	15,27,881
Service Cost :-		
Current service cost	9,52,312	9,86,103
Interest Cost	1,27,621	1,13,018
Benefit payments directly by employer	(34,233)	(78,146)
Actuarial (Gain) / Loss - Demographic	-	(8,11,528)
Actuarial (Gain) / Loss - Financial	53,946	(5,548)
Actuarial (Gain) / Loss - Experience	78,773	1,07,938
Defined Benefit Obligation at the end of Current Year	30,18,137	18,39,718
Change in fair value of plan assets during the year		
There is no plan assets		
Net asset/ (liability) recognised in the balance sheet		
Net defined benefit liability (asset) at prior year end	18,39,717	15,27,881
Defined benefit cost included in P&L	12,12,652	3,89,982
Total remeasurements included in OCI		
Direct benefit payments by Employer	(34,233)	(78,146)
Net defined benefit liability (asset) - end of period	30,18,136	18,39,717
Expense recognised in the statement of profit or loss during the year		
Service cost	9,52,312	9,86,103
Net interest cost	1,27,621	1,13,018
Immediate recognition of loss	1,32,719	-7,09,138
Total expense recognised in the employee benefit expense	12,12,652	3,89,983
Recognised in other comprehensive income for the year		
Cumulative OCI - (Income)/Loss, Beginning of Period	-	-
Total remeasurements included in OCI	-	-
Cumulative OCI - (Income)/Loss, End of Period	-	-
Maturity profile of defined benefit obligation		
Year 1	4,08,942	2,53,373
Year 2	3,81,980	2,36,674
Year 3	3,56,782	2,21,071
Year 4	3,33,226	2,06,487
Year 5	3,21,218	1,92,852
Year 6 to 10	12,70,584	7,92,273
Quantitative sensitivity analysis for significant assumptions is as below		
a) Impact of change in discount rate		
Present Value of obligation at the end of the period		
Discount rate - 100 basis points	32,12,315	17,35,154
Discount rate + 100 basis points	28,45,271	19,57,124
Impact of change		
Discount rate - 100 basis points	(1,94,178)	1,04,564
Discount rate + 100 basis points	1,72,866	(1,17,406)
b) Impact of change in salary		
Present Value of obligation at the end of the period		
Rate - 100 basis points	28,47,972	17,36,528
Rate + 100 basis points	32,05,145	19,53,129
Impact of change		
Discount rate - 100 basis points	1,70,165	1,03,190
Discount rate + 100 basis points	(1,87,008)	(1,13,411)
Actuarial assumptions		
Discount Rate	7.15%	7.45%
Future salary increase	10.00%	10.00%
Retirement Age (years)	58 Years	58 Years
Mortality rates inclusive of provision for disability	IALM (2006-08)	IALM (2006-08)
Withdrawal rate	15.00%	15.00%



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29. Deferred tax assets (net)

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

Particulars	As at	As at
	March 31, 2019	March 31, 2018
At start of year	2,65,82,482	-
Ind-AS transition adjustment	-	-
Credit to Statement of Profit and Loss	2,70,32,578	2,65,82,482
At end of year	<u>5,36,15,061</u>	<u>2,65,82,482</u>

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

Particulars	As at	Credit	As at
	April 1, 2018	to profit or loss	March 31, 2019
Deferred tax asset in relation to:			
Property, plant and equipment	(51,69,334)	(24,76,527)	(76,45,861)
Diminution in Investment	-	-	-
Carried Forward Losses	2,18,64,498	1,99,43,510	4,18,08,008
Unabsorbed Depreciation	89,56,736	80,42,823	1,69,99,558
Disallowance under the Income Tax Act, 1961	9,30,583	15,22,773	24,53,356
	<u>2,65,82,482</u>	<u>2,70,32,578</u>	<u>5,36,15,061</u>

Particulars	Year Ended	Year Ended
	March 31, 2019	March 31, 2018
Income tax recognised in Statement of Profit and Loss		
Deferred tax		
In respect of the current year	(2,70,32,578)	(2,65,82,482)
Total income tax expenses recognised in the current year	<u>(2,70,32,578)</u>	<u>(2,65,82,482)</u>

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

Particulars	Year Ended	Year Ended
	March 31, 2019	March 31, 2018
Loss before tax	(7,72,49,486)	(2,98,81,714)
Applicable Tax Rate	26.00%	26.00%
Computed Tax Expense		
Tax effect of:		
Expenses not allowed	10,39,71,454	10,22,40,317
Tax Impact of expenses not allowed	2,70,32,578	2,65,82,482
Tax Expenses recognised in Statement of Profit and Loss	<u>2,70,32,578</u>	<u>2,65,82,482</u>

For Madan & Associates
Chartered Accountants

M.K. Madan

M K Madan
Proprietor
M. No. 082214
FR NO. 000185N



Place : New Delhi
Date : 23/05/2019

For and on behalf of the Board of Directors of
Safari Digital Education Initiatives Pvt. Ltd.

Saurabh Mittal
Saurabh Mittal
Director
DIN: 01402533

Sheeba Dharmija
Sheeba Dharmija
Company Secretary
Mem No: A2970S

Rajagopalan Chandrashekar
Rajagopalan Chandrashekar
Director
DIN: 03634002

Vinay Sharma
Vinay Sharma
Chief Executive Officer

Dinesh Sharma
Dinesh Sharma
Chief Financial Officer