INDEPENDENT AUDITOR'S REPORT

To the Members of HT Learning Centers Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of HT Learning Centers Limited, which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the Ind AS financial statements)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the year ended March 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We do not observed any Key Audit Matters that, in our professional judgment, were of most significance on our audit of Ind AS Financial Statements of the year ended March 31, 2020.

Other Information

The Company's Board of Directors is responsible for the other information. The Other Information comprises the information included in the other reports, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Based on the work we have performed, we conclude that there is a no material misstatement of this other information.

Responsibility of Management for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 financial statements.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

f) On the basis of the information and explanation provided to us by the Company the internal financial control framework, in our opinion, the Company has, in all material aspects, adequate internal financial controls systems in place and such controls are operating effectively as at 31st March 2020. A separate report on this clause has been attached as Annexure B to this report as prescribed by the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 does not have any pending litigations which would impact its financial position;
   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, required to be transferred to the investor Education and Protection Fund by the Company.

For MRKS AND ASSOCIATES
Chartered Accountants
(ICAI Registration No. 023711N)

Saurabh Kuchhal
Partner
Membership No. 512362
Date:
Place: New Delhi
UDIN: 20512362AAAAFP6859

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of HT Learning Centers Limited for the year ended March 31, 2020

Report on the statement of matters specified in paragraphs 3 and 4 of the Order.

(i) The Company own Fixed Assets; accordingly, the provisions of clause 3 (i) of the Order are applicable to the Company.

a.) The Company maintains proper records showing full particulars including details of quantity & Situation of Fixed Assets.

b.) Physical verification of the Fixed Assets is conducted by the management at reasonable interval.

c.) No material discrepancies were noticed on physical verification.

(ii) The Company does not have any inventories; accordingly, the provisions of clause 3 (ii) of the Order are not applicable to the Company.

(iii) According to information and explanations given to us, the Company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and same of the order is not applicable on the company.

(iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, in respect of loans, investments, guarantees and security as applicable.

(v) According to information and explanations given to us, the Company has not accepted any deposits during the year. Accordingly, the provisions of clause 3 (v) are not applicable to the Company.

(vi) According to the information and explanations given to us, the company is not required to maintained cost records as specified by central government under sub-section (1) of section 148 Companies Act, 2013. Accordingly, the provisions of clause 3(vi) are not applicable to the Company.

(vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities, to the extent applicable to it. There are no arrears of outstanding statutory dues as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the Company does not have any dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax or cess which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, the Company does not have any loan or borrowing from financial institution, bank, government and does not issued debentures, Accordingly, the provisions of clause 3(viii) are not applicable to the Company.

(ix) According to the information and explanations given to us, the Company has not raised moneys by way of public issue, follow-on offer (including debt instruments) and raised any term loan during the year under audit.

(x) In our opinion and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company by its officers/ employees has been noticed or reported during the year, that ultimately causes the financial statements to be materially misstated.

(xi) According to the information and explanations given to us, the provisions of clause (xi) in relation to managerial remuneration are not applicable to the company.

(xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) are not applicable to the Company.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 to the extent applicable and the details have been disclosed in the Financial Statements as required by the accounting standards and Companies Act, 2013.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them and hence provisions of Section 192 of the companies Act is not applicable to the company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For MRKS AND ASSOCIATES
Chartered Accountants
(ICAI Registration No. 023711N)

Saurabh Kuchhal
Partner
Membership No. 512362
Date:
Place: New Delhi
UDIN: 20512362AAAAFP6859

Annexure B to the Independent Auditor's Report of even date on The Financial Statements of HT Learning Centers Limited for the year ended March 31, 2020

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 HT Learning Centers Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the 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. 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 judgement, 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 authorizations of Management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MRKS AND ASSOCIATES
Chartered Accountants
(ICAI Registration No. 023711N)

Saurabh Kuchhal
Partner
Membership No. 512362
Date:
Place: New Delhi
UDIN: 20512362AAAAFP6859

HT Learning Centres Ltd
Balance sheet as at March 31, 2020

		Notes	As at March 31, 2020 INR	As at March 31, 2019 INR
I	**ASSETS**			
1)	**Non-current assets**			
	(a) Property, plant and equipment	3	5,003,042	57,376,029
	(b) Capital work in progress	3	1,005,600	1,470,954
	(c) Intangible assets	4	-	2,533,859
	(d) Financial assets			
	(i) Loans	5	-	5,746,243
	(e) Income tax assets	6	2,300,743	2,019,016
	(f) Other non-current assets	7	-	1,706,339
	Total Non- current assets		8,309,385	70,852,440
2)	**Current assets**			
	(a) Financial assets			
	(i) Trade receivables	8A	164,060	37,584,604
	(ii) Cash and cash equivalents	8B	85,141,622	42,085,538
	(iii) Loans	5	4,390,858	-
	(iii) Other financial assets	9	3,288,834	1,761,564
	(b) Other current assets	10	17,143,406	5,241,178
	Total current assets		110,128,779	86,672,883
	TOTAL ASSETS		**118,438,165**	**157,525,323**
II	**EQUITY AND LIABILITIES**			
1)	**Equity**			
	(a) Equity share capital	11	880,700,000	840,700,000
	(b) Other equity	12	(1,232,478,139)	(985,936,559)
	Total equity		(351,778,139)	(145,236,559)
2)	**Liabilities**			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	13	271,000,000	125,000,000
	(b) Provisions	14	385,435	1,019,979
	(c) Contract Libility	15	-	2,382,717
zz	**Total non- current liabilities**		271,385,435	128,402,696
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings		108,500,000	-
	(ii) Trade Payables			
	a) total outstanding due of micro, small and medium enterprises	16	788,400	-
	b) total outstanding other than of micro enterprises and small enterprises	16	69,867,096	74,404,189
	(iii)Other financial liabilities	17	15,071,457	7,249,630
	(b)Provisions	18	8,440	20,079
	(c) Contract Liability	19	-	89,453,749
	(d) Other current liabilities	20	4,595,476	3,231,539
	Total current liabilities		198,830,868	174,359,186
	Total liabilities		**470,216,303**	**302,761,882**
	TOTAL EQUITY AND IABILITIES		**118,438,165**	**157,525,323**

See accompanying notes to the financial statements.

In terms of our report of even date attached

For MRKS & Associates
Chartered Accountants
ICAI Firm Registration No.02371IN

For and on behalf of the Board of Directors of
HT Learning Centers Limited

Saurabh Kuchhal
Partner
Membership No.512362

(Rajan Bhalla)
(Director)
(DIN: 08098945)

(Piyush Gupta)
(Director)
(DIN: 03155591)

(Ajit Chaturvedi)
(Chief Executive Officer)

(Deepak Sharma)
(Company Secretary)

Place: New Delhi
Date: May 27th 2020

(Vibhor Singhal)
(Chief Financial Officer)

HT Learning Centres Ltd
Statement of Profit and Loss for the year ended March 31, 2020

	Particulars	Notes	Year ended March 31, 2020 INR	Year ended March 31, 2019 INR
I	**Income**			
a)	Revenue from operations	21	181,347,755	226,271,697
b)	Other Income	22	10,027,387	2,100,882
	Total Income		**191,375,142**	**228,372,579**
II	**Expenses**			
a)	Employee benefits expense	23	59,389,905	56,624,451
b)	Finance costs	24	27,518,247	4,052,822
c)	Depreciation and amortization expense	25	38,810,279	20,309,776
d)	Other expenses	26	227,235,678	353,210,296
	Total Expenses		**352,954,109**	**434,197,345**
III	**Profit/(Loss) before exceptional items and tax from operations(I-II)**		(161,578,967)	(205,824,766)
IV	**Exceptional items Gain/(Loss)**	27	(85,076,094)	-
V	**Profit/(Loss) before tax (III+IV)**		(246,655,060)	(205,824,766)
VI	**Earnings before interest, tax, depreciation and amortization (EBITDA) before exceptional items [III+II(b)+II(c)]**		**(95,250,441)**	**(181,462,169)**
VII	**Tax expense**		-	-
VIII	**Profit/ (Loss) for the year (V-VII)**		**(246,655,060)**	**(205,824,766)**
IX	**Other Comprehensive Income**			
	Items that will not to be reclassified to profit or loss			
	Remeasurement gain/(loss) on defined benefit plans	28	113,480	42,459
X	**Total Comprehensive Income for the year, net of tax (VIII+IX)**		**(246,541,580)**	**(205,782,307)**
	Earning/(Loss) per share (Rs INR)			
	Basic and Diluted [Nominal Value of Shares : INR 10 per share]	29	(2.91)	(2.56)

See accompanying notes to the financial statements.
In terms of our report of even date attached

For and on behalf of the Board of Directors of
HT Learning Centers Limited

For MRKS & Associates
Chartered Accountants
ICAI Firm Registration No.02371IN

(Rajan Bhalla)
(Director)
(DIN: 08098945)

(Piyush Gupta)
(Director)
(DIN: 03155591)

Saurabh Kuchhal
Partner
Membership No.512362

(Ajit Chaturvedi)
(Chief Executive Officer)

(Deepak Sharma)
(Company Secretary)

Place: New Delhi
Date: May 27th 2020

(Vibhor Singhal)
(Chief Financial Officer)

HT Learning Centres Ltd
Statement of changes in equity for the year ended March 31, 2020

A. Equity Share Capital

Equity Shares of INR 10 each issued, subscribed and fully paid up

Particulars	Number	Amount (INR)
Balance as at April 1, 2018	**76,970,000**	**769,700,000**
Changes in share capital during the year	7,100,000	71,000,000
Balance as at March 31, 2019	**84,070,000**	**840,700,000**
Changes in share capital during the year	4,000,000	40,000,000
Balance as at March 31, 2020	**88,070,000**	**880,700,000**

B. Other Equity (INR)

Particulars	Retained earnings	Total
Balance as at April 1, 2018	**(780,154,252)**	**(780,154,252)**
Profit/ (loss) for the year	(205,824,766)	(205,824,766)
Other comprehensive income	42,459	42,459
Balance as at March 31, 2019	**(985,936,559)**	**(985,936,559)**
Profit/ (loss) for the year	(246,655,060)	(246,655,060)
Other comprehensive income	113,480	113,480
Balance as at March 31, 2020	**(1,232,478,139)**	**(1,232,478,139)**

See accompanying notes to the financial statements.
In terms of our report of even date attached

For and on behalf of the Board of Directors of
HT Learning Centers Limited

For MRKS & Associates
Chartered Accountants
ICAI Firm Registration No.02371IN

(Rajan Bhalla)
(Director)
(DIN: 08098945)

(Piyush Gupta)
(Director)
(DIN: 03155591)

Saurabh Kuchhal
Partner
Membership No.512362

(Ajit Chaturvedi)
(Chief Executive Officer)

(Deepak Sharma)
(Company Secretary)

Place: New Delhi
Date: May 27th 2020

(Vibhor Singhal)
(Chief Financial Officer)

HT Learning Centers Limited
Statement of Cash Flow for the year ended March 31, 2020

Particulars	March 31, 2020 (INR)	March 31, 2019 (INR)
Cash flow from operating activities		
Profit before tax	**(246,655,060)**	**(205,824,766)**
Adjustments for:		
Depreciation and amortization expense	38,810,279	20,309,776
Impairment/(reversal) towards value of property, plant & equipment & intangible	36,876,511	-
Impairment for doubtful debts and advances (includes bad debts written off)	143,000	1,160,317
Loss/ (Profit) on disposal of property, plant and equipment & intangibles (including Impairment) (Net)	7,528,835	7,171,231
Income on lease termination	(6,581,442)	-
Interest expense	27,518,247	-
Interest income from deposits and others	(1,649,789)	(1,462,913)
Cash flows from operating activites before changes in following assets and liabilities	**(144,009,420)**	**(178,646,355)**
Changes in operating assets and liabilties		
Increase/(Decrease) in current and non-current financial liabilities and other current and non-current liabilities & provision	(99,169,708)	(2,227,428)
Decrease/(increase) in trade receivables	37,277,544	(3,992,626)
Decrease / (increase) in current and non-current financial assets and other current and non-current assets	(10,367,776)	(2,434,874)
Cash generated from /(used in) operations	**(216,269,359)**	**(187,301,283)**
Income taxes paid/ refund (net of refunds)	(281,726)	849,028
Net cash flow from/ (used in) operating activities (A)	**(216,551,086)**	**(186,452,255)**
Cash flows from investing activities		
Payment for purchase of property, plant and equipment & intangible assets	(2,747,470)	(11,952,672)
Proceeds from sale of property, plant and equipment & intangible assets	1,190,033	514,994
Interest received	1,649,789	1,462,913
Net cash flow from/(used in) investing activities (B)	**92,352**	**(9,974,765)**
Cash flows from financing activities		
Proceeds from issuance of share capital	40,000,000	71,000,000
Interest paid	(15,280,637)	-
Repayment of lease liabilities (Refer Note 33)	(19,704,545)	-
Inter-corporate loans taken (net)	254,500,000	125,000,000
Net cash flow from/(used in) in financing activities (C)	**259,514,818**	**196,000,000**
Net increase/ (decrease) in cash and cash equivalents (D= A+B+C)	43,056,084	(427,019)
Cash and cash equivalents at the beginning of the year (E)	42,085,538	42,512,557
Cash and cash equivalents at year end (D+E)	**85,141,622**	**42,085,538**
Components of cash and cash equivalents as at end of the year		
Cash and cheques on hand	-	801,028
Balances with banks		
- in current accounts	20,141,622	7,784,510
- on deposit accounts	65,000,000	33,500,000
Total cash and cash equivalents (note 8B)	**85,141,622**	**42,085,538**

Refer note 13 for debt reconciliation disclosure

See accompanying notes to the financial statements.
In terms of our report of even date attached

For and on behalf of the Board of Directors of
HT Learning Centers Limited

For MRKS & Associates
Chartered Accountants
ICAI Firm Registration No.02371IN

(Rajan Bhalla)
(Director)
(DIN: 08098945)

(Piyush Gupta)
(Director)
(DIN: 03155591)

Saurabh Kuchhal
Partner
Membership No.512362

(Ajit Chaturvedi)
(Chief Executive Officer)

(Deepak Sharma)
(Company Secretary)

Place: New Delhi
Date: May 27th 2020

(Vibhor Singhal)
(Chief Financial Officer)

HT Learning Centers Limited
Notes to financial statements for the year ended March 31, 2020

Note 3 : Property, Plant and Equipment

(INR)

Particulars	Improvement to Leasehold Premises	Plant and Machinery	Office Equipments	Furniture and Fixtures	Total
Cost					
As at 1 April 2018	**88,512,568**	**28,286,776**	**31,738,382**	**11,473,726**	**160,011,452**
Additions	7,406,714	1,442,864	360,893	7,000	**9,217,470**
Disposals/ Adjustments	14,101,975	73,839	1,420,525	697,448	**16,293,786**
Exchange differences					**-**
As at 31 March 2019	**81,817,307**	**29,655,801**	**30,678,750**	**10,783,278**	**152,935,136**
Additions		424,907	153,717	19,500	**598,123**
Disposals/ Adjustments	16,922,355	979,091	5,067,556	1,913,968	**24,882,971**
Exchange differences					**-**
As at 31 March 2020	**64,894,952**	**29,101,616**	**25,764,910**	**8,888,810**	**128,650,289**
Depreciation/ impairment					
As at 1 April 2018	32,394,248.73	22,576,962.72	19,220,670.68	10,230,762.41	**84,422,645**
Charge for the year	9,938,664.16	3,777,371.39	5,806,225.58	221,762.00	**19,744,023**
Disposals	6,759,765.36	64,976.90	1,103,144.89	679,673.95	**8,607,561**
As at 31 March 2019	**35,573,148**	**26,289,357**	**23,923,751**	**9,772,850**	**95,559,107**
Charge for the year	6,979,223	1,034,574	3,479,749	184,493	**11,678,038**
Impairment charge	31,704,672	794,882	76,746	-	**32,576,299**
Disposals	9,392,090	868,836	4,214,584	1,690,686	**16,166,197**
As at 31 March 2020	**64,864,952**	**27,249,976**	**23,265,661**	**8,266,657**	**123,647,247**
Net Block					
As at 31 March 2020	**30,000**	**1,851,640**	**2,499,249**	**622,153**	**5,003,042**
As at 31 March 2019	**46,244,160**	**3,366,444**	**6,754,998**	**1,010,428**	**57,376,030**

i. Asset under construction
Capital work in progress as at March 31, 2020 and as at March 31, 2019 comprises expenditure incurred mainly for development of online learning platform and website

(INR)

Net Book Value	March 31, 2020	March 31, 2019
Property, plant and equipment	5,003,042	57,376,030
Capital work-in-progress	1,005,600	1,470,954
Total	**6,008,642**	**58,846,983**

HT Learning Centers Limited
Notes to financial statements for the year ended March 31, 2020

Note 4 : Intangible Assets and Intangible Assets under development

(In INR)

Particulars	Website Development	Web site	Content Development	Total (Intangible Assets)
Cost				
As at 1 April 2018	**1,661,343**	**400,000**	**210,000**	**2,271,343**
Additions	2,098,400	-	-	2,098,400
Disposals/ Adjustments	-			-
As at 31 March 2019	**3,759,743**	**400,000**	**210,000**	**4,369,743**
Additions	2,085,100	-	-	2,085,100
Disposals/ Adjustments	31,250	-	-	31,250
As at 31 March 2020	**5,813,593**	**400,000**	**210,000**	**6,423,593**
Amortisation/ impairment				
As at 1 April 2018	**869,007**	**264,867**	**136,257**	**1,270,131**
Charge for the year	466,872	64,840	34,041	565,753
Disposals			-	-
As at 31 March 2019	**1,335,879**	**329,707**	**170,298**	**1,835,884**
Charge for the year	747,372	64,840	34,041	846,253
Impairment charge	3,759,498	5,453	5,661	3,770,612
Disposals	29,156	-	-	29,156
As at 31 March 2020	**5,813,593**	**400,000**	**210,000**	**6,423,593**
Net Block				**-**
As at 31 March 2020	**-**	**-**	**-**	**-**
As at 31 March 2019	**2,423,864**	**70,293**	**39,702**	**2,533,859**

HT Learning Centers Limited
Notes to financial statements for the year ended March 31, 2020

	As at March 31, 2020 (In INR)	As at March 31, 2019 (In INR)
Note 5 : Loans		
Security Deposit	4,390,858	5,746,243
Total	**4,390,858**	**5,746,243**
Current	**4,390,858**	**-**
Non Current	**-**	**5,746,243**
Note 6 : Income Tax Assets		
Advance payment of income tax/ tax deducted at source	2,300,743	2,019,016
Total	**2,300,743**	**2,019,016**
Note 7 : Other non- current assets		
Capital Advance	-	1,706,339
Total	**-**	**1,706,339**
Note 8A : Trade and other Recievables		
Tution Debtors	164,060	38,584,604
Total	**164,060**	**38,584,604**
Provision for Doubtful Debts	-	1,000,000
Total	**164,060**	**37,584,604**
Break Up for Security Deposit		
Secured, considered good		
Unsecured, considered good	164,060	38,584,604
Unsecured, considered doubtful	-	-
	164,060	**38,584,604**
Impairment for unsecured doubtful debts	**-**	**1,000,000**
Total	**164,060**	**37,584,604**
Total Trade Receivables	**164,060**	**37,584,604**

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

Note 8B : Cash and Cash Equivalents		
Balance with banks		
Balance on current accounts	20,141,622	7,784,510
Balance on deposit accounts	65,000,000	33,500,000
Total Balance with Bank	**85,141,622**	**41,284,510**
Cash in Hand	-	801,028
Total	**85,141,622**	**42,085,538**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company and earn interest at the respective short-term deposit rates.

At 31 March 2020 and March 31, 2019, the company had no undrawn committed borrowing facilities.

Schedule 9 : Other Financial Assets		
Other Receivables*	3,288,834	1,761,564
Total	**3,288,834**	**1,761,564**

*** Includes receivable from related parties INR 3,96,000 (Previous year INR Nil) (Refer Note 30A)**

Schedule 10 : Other current assets		
Advances Recoverable in cash or kind	1,160,165	3,667,209
Prepaid Expenses	3,428,203	3,793,607
GST Receivable	12,555,038	(2,219,638)
Total	**17,143,406**	**5,241,178**

HT Learning Centres Ltd
Notes to financial statements for the year ended March 31, 2020

Note 11 : Share Capital
Autorised Share Capital

Particulars	No. of shares	INR
At 1 April 2018	76,970,000	769,700,000
Increase/(decrease) during the year	7,100,000	71,000,000
At 31 March 2019	84,070,000	840,700,000
Increase/(decrease) during the year	16,930,000	169,300,000
At 31 March 2020	101,000,000	1,010,000,000

Terms/ rights attached to equity shares
The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital

Equity shares of INR 10- each issued, subscribed and fully paid	No. of shares	INR
At 1 April 2018	76,970,000	769,700,000
Changes during the period	7,100,000	71,000,000
At 31 March 2019	84,070,000	840,700,000
Changes during the period	4,000,000	40,000,000
At 31 March 2020	88,070,000	880,700,000

Reconciliation of the equity shares outstanding at the beginning and at the end of the year :

Particulars	31st March, 2020		31st March, 2019	
	No. of shares	Amount INR	No. of shares	Amount INR
Shares outstanding at the beginning of the year	84,070,000	840,700,000	76,970,000	769,700,000
Shares Issued during the year	4,000,000	40,000,000	7,100,000	71,000,000
Shares outstanding at the end of the year	**88,070,000**	**880,700,000**	**84,070,000**	**840,700,000**

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates
Out of equity shares issued by the company, shares held by its holding company, subsidiary of holding company are as below:

Particulars	31-Mar-20 INR	31-Mar-19 INR
HT Media Ltd	592,000,000	552,000,000
59,200,000 (previous year 55,200,000) equity shares of INR 10 each fully paid		
HT Education Ltd.	288,700,000	288,700,000
28,870,000 (previous year 28,870,000) equity shares of INR 10 each fully paid		

Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 March 2020		As at 31 March 2019	
		% holding in the No in class	No. in lacs	% holding in the No in class
Equity shares of INR 10 each fully paid				
HT Media Ltd	59,200,000	67%	55,200,000	66%
HT Education Ltd.	28,870,000	33%	28,870,000	34%

As per records of the Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

HT Learning Centres Ltd
Notes to financial statements for the year ended March 31, 2020

	As at March 31, 2020 (In INR)	As at March 31, 2019 (In INR)
Note 12 : Other Equity		
Retained Earnings		
P&L Account Opening Balance	(985,936,559)	(780,154,252)
Transferred from Profit and Loss Account during the year	(246,655,060)	(205,824,766)
Amount available for appropriation	**(1,232,591,619)**	**(985,979,018)**
Less:		
Re-measurement gains (losses) on defined benefit plans (after Tax)	113,480	42,459
Total	**(1,232,478,139)**	**(985,936,559)**
Note 13: Borrowings		
Inter Corporate deposit from Related Parties	379,500,000	125,000,000
Total	**379,500,000**	**125,000,000**
Current	**108,500,000**	**-**
Non Current	**271,000,000**	**125,000,000**

Debt reconciliation:

Particulars	**Current Borrowings**	**Non-current Borrowings**
As at April 1, 2018	-	-
Cash flows:		
Drawdown	-	125,000,000
Repayments	-	-
As at March 31, 2019	-	**125,000,000**
Drawdown	108,500,000	146,000,000
Repayments	-	-
As at March 31, 2020	**108,500,000**	**271,000,000**

(a) Inter company deposit (ICD) of INR 27,10,00,000 was drawn in multiple tranches at an interest of 9.65% p.a. compounded annually and repayable within 60 months from date of each draw down. The interest shall become due and payable along with principal.

(b) Inter company deposit (ICD) of INR 10,85,00,000 was drawn in multiple tranches at an interest of 9.66% p.a. compounded annually and repayable on demand.

	As at March 31, 2020 (In INR)	As at March 31, 2019 (In INR)
Note 14 : Non Current Provisions		
Provision for Employee benefits		
LT Provision for Gratuity	385,435	1,019,979
Total	**385,435**	**1,019,979**
Note 15 : Contratct Liability - Non Current		
Non Current	-	2,382,717
Total	**-**	**2,382,717**

Amount of revenue recognised during FY 2019-2020 from contract liabilities at the beginning of the year is INR 23,82,717

Amount accrued during FY 2019-2020 is Nil

	As at March 31, 2020 (In INR)	As at March 31, 2019 (In INR)
Note 16 : Trade Payables		
Trade Payables		
- Total outstanding due of micro, small and medium enterprises	788,400	-
- Total outstanding other than of micro enterprises and small enterprises	59,104,147	34,434,014
Trade Payables to related Parties (Refer Note 30A)	10,762,948	39,970,175
Total	**70,655,496**	**74,404,189**
Note 17 : Other Current Financial Liability		
Interest accrued but not due on borrowings*	14,492,140	2,254,530
Other liabilities	579,317	4,995,099
Total	**15,071,457**	**7,249,630**
* Payabe to related parties (Refer note 30A)		

Note 18 : Short Term Provisions		
Provision for employee benefits		
Provision for Gratuity	8,440	20,079
Total	**8,440**	**20,079**
Note 19 : Contratct Liability - Current		
Unearned Revenue	-	89,453,749
Total	-	**89,453,749**
Amount of revenue recognised during FY 2019-2020 from contract liabilities at the beginning of the year is 89,453,749		
Amount accrued during FY 2019-2020 is Nil		
Note 20 : Other current liabilities		
Advance from customers	2,205,492	333,132
Sundry deposits	-	15,000
Statutory dues	2,389,983	2,883,407
Total	**4,595,475**	**3,231,539**
Note 21 : Revenue from Operations		
Sale of goods		
Fees Income	179,111,603	224,063,042
Other Operating revenues		
Other Op Miscellaneous income	2,236,152	2,208,655
Total	**181,347,755**	**226,271,697**
Note 22 : Other Income		
Interest Income		
Interest on Bank Deposit	1,252,084	1,233,995
Other Interest received	397,705	228,918
	1,649,789	**1,462,913**
Other non-operating income		
Unclaimed balances/unspent liabilities written back	1,800,187	634,362
Other Miscellaneous income	6,577,411	3,606
	8,377,598	**637,968**
Total	**10,027,387**	**2,100,882**
Note 23 : Employee Benefit Expense		
Salaries, wages and bonus	56,487,982	53,860,591
Contribution to provident and other funds	2,414,758	1,975,835
Employee stock option scheme	-	-
Provision for gratuity expense	180,047	399,622
Workmen and staff welfare expenses	307,118	388,403
Total	**59,389,905**	**56,624,451**
Note 24 : Finance costs		
Interest on debts and borrowings	13,656,944	2,720,807
Interest on lease liabilities (Refer Note 33)	12,884,261	-
Bank charges	977,041	1,332,014
Total	**27,518,247**	**4,052,822**
Note 25 : Depreciation and amortization expense		
Depreciation of Tangible assets	11,678,038	19,744,023
Depreciation expense of right-of-use assets (Refer Note 33)	26,285,988	-
Amortization of Intangible assets	846,253	565,753
Total	**38,810,279**	**20,309,776**
Note 26 : Other Expenses		
Power and fuel	9,000,538	11,482,981
Advertising and sales promotion	25,810,200	82,220,279
Visiting Lecturer fees	95,507,232	124,803,223
Study Material Expenses	3,780,008	9,380,393
Data Entry Expenses	2,359,728	2,143,006
Rent	4,767,449	38,043,510

Rates and taxes	1,503,334	1,227,565
Insurance	724,871	625,526
Plant and machinery	4,290,399	4,992,189
Building	1,576,129	2,940,687
Travelling and conveyance	7,787,068	6,505,397
Communication costs	4,943,231	4,812,929
Legal and professional fees	36,997,254	32,582,756
Payment to auditor (refer details below)	250,000	240,000
Allowances for doubtful debts and advances	143,000	1,000,000
Loss on sale of fixed assets	7,528,835	7,171,231
Bad debts/ advances written off	13,897	160,317
Miscellaneous expenses	20,252,504	22,878,307
Total	**227,235,678**	**353,210,296**
Payment To Auditors		
For Statutory Audit	100,000	100,000
For Limited Review	100,000	90,000
For Tax Audit	50,000	50,000
Total	**250,000**	**240,000**
Note 27 : Exceptional Items		
Exceptional Items (Refer Note 36)	85,076,094	-
Total	**85,076,094**	**-**
Note 28 : Other Comprehensive Income		
Re- measurement gains(losses) on defined benefit plans	113,480	42,459
Total	**113,480**	**42,459**

HT Learning Centres Ltd
Notes to financial statements for the year ended March 31, 2020

Note 29 : Earnings per share (EPS)

Basic earnings per share 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 earnings per share amounts are calculated by dividing the profit 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 the dilutive potential equity shares into equity shares.

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

Particulars	31st March, 2020	31st March, 2019
Total profit/(loss) attributable to equity holders (INR)	(246,541,580)	(205,782,307)
Weighted average number of Equity shares for basic and diluted earnings per share	84,771,370	80,350,274
Earnings/(loss) per share		
Basic earnings per share	**(2.91)**	**(2.56)**
Diluted earnings per share	**(2.91)**	**(2.56)**

HT Learning Centres Ltd
Notes to financial statements for the period ended March 31, 2020

Note 30: Related party transactions
i) List of Related Parties and Relationships:-

Name of related parties where control exists whether transactions have occurred or not.	Earthstone Holding (Two) Private Limited* (Ultimate controlling party is the Promoter Group)
	The Hindustan Times Limited **
	HT Media Limited
Fellow Subsidiaries (Where transactions have occurred during the period)	HT Mobile Solutions Ltd
	Hindustan Media Ventures Ltd
	HT Digital Media Holdings Limited
	HT Digital Streams Limited
	India Eduaction Services Pvt. Ltd.

*Earthstone Holding (Two) Private Limited is the holding Company of The Hindustan Times Limited

**The Hindustan Times Limited (HTL) does not hold any direct investment in the Company. However, HTL’s subsidiary HT Media Limited holds shares in the Company

ii) Transactions with related parties
Refer Note 30A

iii) Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (other than Inter corporate deposit given and taken) and settlement occurs in cash.

HT Learning Centres Ltd
Notes to financial statements for the period ended March 31, 2020

Note 30A : Related Party Transactions

Transactions during the year / period ended on	**Holding Company**		**Fellow Subsidiaries**	
	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
Issue of Share Capital	40,000,000	71,000,000	-	-
Reimburment of Expenses on behalf of parties by Company	183,333	-	183,333	-
Expenses				
Advertising and sales promotion	12,542,755	54,079,466	3,152,746	11,674,454
Purchase of Fiaxed Assets	-	-	-	499,890
Legal and Professional fees	14,098,101	17,857,047	-	-
Service charges- IT	186,524	109,322	-	-
Printing & Service Charges paid	-	279,300	-	-
Interest expenses	15,590,267	2,505,034	512,110	-
Infrastructure Support Services (Seats) Taken	4,732,800	2,093,764	-	-
Train & Devlp-Others	-	217,440	-	-
Balance outstanding				
Amounts owed to related Parties*	10,426,212	35,585,497	336,736	4,386,199
Borrowings	271,000,000	125,000,000	108,500,000	-
Interest Payable	14,031,241	2,254,530	460,899	-
Amounts owed by related Parties*	198,000	-	198,000	-

HT Learning Centres Ltd
Notes to financial statements for the year ended March 31, 2020

Schedule 31 : Net employee defined benefit liabilities

Particulars	31st March, 2020 INR	31st March, 2019 INR
Gratuity	393,875	1,040,058
Total	**393,875**	**1,040,058**
Current	**8,440**	**20,079**
Non- Current	**385,435**	**1,019,979**

The Company has a defined benefit gratuity plan in India. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

India gratuity Plan
Changes in the defined benefit obligation and fair value of plan assets as at 31 March, 2020 :

Particulars		Gratuity cost charged to profit or loss				Remesurement gains/(losses) in other comprehensive income						
	1st April, 2018	Service Cost	Net interest expense	Sub- total included in profit or loss (Note 23)	Benefits Paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub- total included in OCI	Contributions by employer	31st March, 2019
	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
Defined benefit obligation	1,040,058	99,271	80,776	180,047	(712,750)	-	(276)	49,105	(162,309)	(113,480)	-	393,875
Benefit liability	**1,040,058**	**99,271**	**80,776**	**180,047**	**(712,750)**	**-**	**(276)**	**49,105**	**(162,309)**	**(113,480)**	**-**	**393,875**

Changes in the defined benefit obligation and fair value of plan assets as at 31 March, 2019 :

Particulars		Gratuity cost charged to profit or loss				Remesurement gains/(losses) in other comprehensive income						
	1st April, 2018	Service Cost	Net interest expense	Sub- total included in profit or loss (Note 23)	Benefits Paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub- total included in OCI	Contributions by employer	31st March, 2019
	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
Defined benefit obligation	1,040,243	316,462	83,160	399,622	(357,348)	-	-	36,724	(79,183)	(42,459)	-	1,040,058
Benefit liability	**1,040,243**	**316,462**	**83,160**	**399,622**	**(357,348)**	**-**	**-**	**36,724**	**(79,183)**	**(42,459)**	**-**	**1,040,058**

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	31st March, 2020 %	31st March, 2019 %
Discount rate:		
India gratuity plan	6.85%	7.75%
Future salary increases:		
India gratuity plan	5%	5%

A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

India gratuity plan:

Particulars	31st March, 2020		31st March, 2019	
Senstivity Level	Decrease INR	Increase INR	Decrease INR	Increase INR
Discount Rate (- / + 1%)	460,021	339,902	1,206,234	904,361
Salary Growth Rate (- / + 1%)	338,568	460,609	899,951	1,209,277
Attrition Rate (- / + 50%)	386,925	399,601	1,004,899	1,069,488
Mortality Rate (-/+10%)	393,561	394,186	1,038,697	1,041,412

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.
The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31st March, 2020
Within the next 12 months (next annual reporting period)	8,440
Between 2 and 5 years	39,654
Between 5 and 10 years	192,693
Beyond 10 years	1,108,881
Total expected payments	-

The average duration of the defined benefit plan obligation at the end of the reporting period is 15 years (31 March 2019: 15 years)

Note 32: Significant accounting judgements, estimates and assumptions

The preparation of the companies financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future

The areas involving critical estimates or Judgement are as below:

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an ‘AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 31.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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 CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where 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 markets transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Determining the lease term of contracts with renewal and termination options – as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

For further details about leases, refer to accounting policy on leases and Note 33.

HT Learning Centres Ltd
Notes to financial statements for the year ended March 31, 2020

Schedule 33: Leases

i) The details of the right-of-use asset held by the Company is as follows:

Particulars	Buildings (INR)
Balance at 1 April 2019	161,732,448
Depreciation charge for the year	(26,285,988)
Additions to right-of-use assets	8,607,385
Derecognition of right-of-use assets	(144,053,844)
Balance at 31 March 2020	-

ii) Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Amount in INR
Balance at 1 April 2019	161,732,448
Additions	(142,027,902)
Accretion of interest	12,884,261
Payment of principal	(19,704,545)
Payments of interest	(12,884,261)
Balance at 31 March 2020	-
Current	-
Non- Current	-

iii) Amounts recognised in profit or loss:

Particulars	in INR Lacs
Interest on lease liabilities	12,884,261
Depreciation expense of right-of-use assets	26,285,988
Expenses relating to short-term leases	4,767,449

iv) Amounts recognised in statement of cash flows:

Particulars	in INR
Total cash outflow for leases	(19,704,545)

Schedule 34 : Micro Small & Medium Enterpreises

The balance due to suppliers registered under "The Micro, Small and Medium Enterprises Development Act, 2006" as on 31 March 2020 is' 7,88,400 (Previous Year: ' Nil)

Particulars	31-Mar-20	31-Mar-19
Principal amount	788,400	Nil
Interest due thereon at the end of the accounting year	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the year for delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006.	Nil	Nil

Schedule 35: Scheme of amalgamation between Firefly e-Ventures Limited (FEVL), HT Digital Media Holdings Limited (HTDH), HT Education Liited (HTEL), HT Learning Centers Limited (HTLC), India Education Services Privale Limited (IESPL), Topmovies Entertainment Limited (TMEL) with HT Mobile Solutions Limited (HTMSL):

A scheme of amalgamation u/s 230-232 of the Companies Act, 2013 which provides for merger of Firefly e-Ventures Limited (FEVL), HT Digital Media Holdings Limited (HTDMH), HT Education Limited (HTEL), HT Learning Centers Limited (HTLC), India Education Services Private Limited (IESPL, the Company) and Topmovies Entertainment Limited (TMEL) with HT Mobile Solutions Limited (HTMS) ("Scheme"), has been approved by the respective Board of Directors of companies at their meetings held on March 18, 2020.

The Companies are in the process of filing the Scheme with the Hon'ble NCLT, New Delhi Branch. Pending the filing and approval of the Scheme by the Hon'ble NCLT, New Delhi Branch, the impact of the Scheme has not been considered in the financial satetements by the transferor and transferee Companies.

Schedule 36: Exceptional Items

Company has decided to close its Studmate and Englishmate business and amount shown in exceptional item (schedule 28) represents cost related to closure of business.

Schedule 37: Capital management

For the purpose of the companies capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the companies capital management is to maximise the shareholder value. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives. policies or processes for managing capital during the periods ended March 31, 2020 and March 31, 2019.

Schedule 38: Segment Reporting

The Company's operations comprise of only one segment i.e. "Rendering of Supplementary Education". The management also reviews and measures the operating results taking the whole business as one segment and accordingly make decision about the resources allocation. In view of the same, separate segment information is not required to be given as per the requirement of Ind-AS 108 on "operating segments".

The analysis of geographical segment is based on the geographical location of the customers. The company renders its services within India and does not have any operations in economic environments with the different risks and returns and hence, it has been considered as to be operating in a single geographical segment.

Note 39: Fair values

The management assessed that cash and cash equivalents, trade receivables, trade payables, other financial liabilities and current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Note 40: Financial risk management objectives and policies

The companies principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the companies operations. The companies principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and foreign exchange transactions.

Trade receivables

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8A. The Company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low as its customers are located in several jurisdictions and operate in largely independent markets.

Liquidity risk

The company monitors its risk of a shortage of funds and company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, preference shares, equity shares and inter co. deposits.

Note 41: Standards issued but not effective

"Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020."

HT Learning Centres Ltd
Notes to financial statements for the year ended March 31, 2020

Note 42 : Income Tax

The major components of income tax expense for the year ended 31 March 2020 and 31 March 2019 are :
Statement of profit and loss :

Profit or loss section

Particulars	31st March, 2020 INR	31st March, 2019 INR
Current income tax :		
Current income tax	-	-
Deferred tax :		
Income tax expense reported in the statement of profit or loss	**-**	**-**

OCI section :
Deferred tax related to items recognised in OCI during in the year :

Particulars	31st March, 2020 INR	31st March, 2019 INR
Net (loss)/gain on remeasurements of defined benefit plans	-	-
Income tax charged to OCI	**-**	**-**

Deferred tax assets/liabilities have not been recognized in respect of losses as they may not be used to offset taxable profits in the company and there are no other tax planning opportunities or other evidence of recoverability in the near future.

Schedule 43 : Previous Year Figures
Previous period figures have been regrouped / reclassified, where necessary, to conform to current year's classification.

In terms of our report of even date attached

For MRKS & Associates
Chartered Accountants
ICAI Firm Registration No.02371IN

For and on behalf of the Board of Directors of
HT Learning Centers Limited

Saurabh Kuchhal
Partner
Membership No.512362

(Rajan Bhalla)
(Director)
(DIN: 08098945)

(Piyush Gupta)
(Director)
(DIN: 03155591)

(Ajit Chaturvedi)
(Chief Executive Officer)

(Deepak Sharma)
(Company Secretary)

Place: New Delhi
Date: May 27th 2020

(Vibhor Singhal)
(Chief Financial Officer)

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

Note 1: Corporate Information

HT Learning Centers Limited was started as a Joint Venture between HT Education Limited and MT Education Services Private Limited and was incorporated on **05 February 2010**. With effect from 15 November 2012, the Company has become 100% wholly owned subsidiary of HT Education Limited. With effect from 22 January 2016, the Company has become the subsidiary company of HT Media Limited. The Company has been set up to carry out the business of conducting coaching / tutorial classes, set up training centers, activities incidental and ancillary thereto.

Information on related party relationship of the Company is provided in Note 30.

The financial statements of the Company for the year ended on 31 March 2020 were authorized for issue in accordance with a resolution of the Board of Directors on May 27, 2020.

Note 2: Significant Accounting Policies

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard ('Ind AS'), notified under the Companies (Indian Accounting Standard) Rules, 2015 as amended and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Companies Act 2013 (the "accounting principles generally accepted in India").

The financial statements are presented in Indian Rupees ('INR'), except 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 treated as current when it is

- expected to be realized or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realized 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 current when

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

The operating cycle is the time between admission of Student up to its realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Revenue recognition

Revenue is recognized 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 being made. Revenue is measured based on the transaction price, which is the consideration, adjusted for allowances, trade discounts, volume rebates, if any, as specified in the contract with the customer and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

Contract asset represents the Company's right to consideration in exchange for services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time.

When there is unconditional right to receive cash, and only passage of time is required to do invoicing, the same is presented as Unbilled receivable.

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on behalf of the Government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized at the time of admission, fee invoiced to students are recognized as deferred revenue.

Revenue from tuition, examination, content and admission fees: Revenue from tuition, examination and content fees is recognized over the period of the completion of the course offered.

Interest: Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Other incidental income is recognized as and when the event takes place to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

c) Taxes

The Government of India, on September 20, 2019, vide Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAB in the Income Tax Act, 1961, which gives option to the Company to pay Income Tax at reduced rates as per the provisions/ conditions defined in the said section. The Company is in the process of evaluating the impact of this Ordinance.

Current income tax

Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized is correlation to the underlying transaction either in 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.

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 recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI 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.

Sales / value added taxes paid on acquisition of assets or on incurring expenses
Expenses and assets are recognized net of the amount of sales / value added taxes paid, except

- when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- when receivables and payables are stated with the amount of sales tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

d) Property, plant and equipment
Capital Work in progress and Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Cost comprises the purchase price, borrowing costs if capitalization criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Recognition:
The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if

a) It is probable that future economic benefits associated with the item will flow to the entity; and
b) The cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized 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 recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Leasehold improvements represent expenses incurred towards civil works, interior furnishings, etc on the leased premises at various locations

The Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

The Company regards the carrying amount as deemed cost at the transition date, viz., 01 April 2015.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Type of asset	Useful lives estimated by management (years)
Plant & Machinery	2 to 21.1
IT Equipments	3 to 6
Office Equipments	2 to 5
Furniture and Fittings	2 to 10

Above lives have been estimated by the Management considering single shift usage. Whenever an asset is used for additional shifts, extra shift depreciation is charged as per the method prescribed in Schedule II of the Companies Act, 2013.

Assets having value of 5,000 or less, individually, have been fully depreciated in the year of purchase.

e) Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial

recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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 recognized in the statement of profit or loss when the asset is derecognized.

Intangible assets with finite lives are amortized on straight line basis using the estimated useful life as follows:

Type of asset	Useful lives estimated by management (years)
Website development	3 to 6.17

The above periods also represent the management estimated economic useful life of the respective intangible assets.

f) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 01 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Leases:

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold improvements represent expenses incurred towards civil works, interiors furnishings, etc. on the leased premises at various locations.

Operating Leases:

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or
- The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information. As on April 1, 2019, the Company has recognized a right of use asset at an amount equivalent to the lease liability and consequently there is no adjustment to the opening balance of retained earnings as on April 1, 2019. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Identification of lease:

- The Company has reassessed whether a contract is, or contains, a lease at the date of initial application.

Leases previously classified as operating leases:

- The Company has recognised a lease liability at the date of initial application for leases previously classified as an operating lease applying Ind AS 17 (other than those which does not satisfy the lease definition criteria under Ind AS 116). The Company has measured lease liability at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at the date of initial application.

- The Company has recognised a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying Ind AS 17 (other than those which does not satisfy the lease definition criteria under Ind AS 116). The Company has opted to measure right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

- The Company has relied on its assessment of whether leases are onerous applying Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, immediately before the date of initial application as an alternative to performing an impairment review.

- The Company has opted not to apply the above transition requirements to leases for which the lease term ends within 12 months of the date of initial application.

Leases previously classified as finance leases:

- For leases that were classified as finance leases applying Ind AS 17, the carrying amount of the right-of-use asset and the lease liability at the date of initial application is the carrying amount of the lease asset and lease liability immediately before that date measured applying Ind AS 17.

Impact on transition as on 1 April 2019:

	In INR Lacs
Right-of-use assets – property, plant and equipment	1,617
Lease liabilities	1,617
Retained earnings	-

	In INR Lacs
Operating lease commitments at 31 March 2019 as disclosed under Ind AS 17 in the Company's financial statements	2,223
Lease commitment not considered above **(B)**	(114)
Net Operating lease commitments **(C)=(A)+(B)**	2,109
Discounted using the incremental borrowing rate at 1 April 2019 **(D)**	1,617
Lease liabilities recognised at 1 April 2019 **(E)**	1,617
Difference **(D)- (E)**	-

g) Provisions

Provisions are recognized 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 obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and 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 recognized as a finance cost.

h) Employee Benefits

Short term employee benefits and defined contribution plans:

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc are recognized in the statement of profit and loss in the period in which the employee renders the related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

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 recognized 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.

Past service costs are recognized in profit or loss on the earlier of

- the date of the plan amendment or curtailment, or
- the date that the Company recognizes related restructuring cost.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

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 recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- Debt instruments at amortized cost.
- 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).

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:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
b) Lease receivables under Ind AS 17.
c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as ‘contractual revenue receivables' in these financial statements).
d) Loan commitments which are not measured as at FVTPL.

The Company follows ‘simplified approach' for recognition of impairment loss allowance on

- trade receivables or contract revenue receivables; and
- all lease receivables resulting from transactions within the scope of IND AS 17.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider

- all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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 analyzed. On that basis and upon consideration of the fact that there has been no material history of defaults the Company does not estimate any provision on its outstanding trade receivables.

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

- Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss. The Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase / origination.

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 recognized 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, loans and borrowings including bank overdrafts and derivative financial instruments.

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 designated upon initial recognition as at fair value through profit or loss. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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/ losses 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 recognized in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

De-recognition

A financial liability is derecognized 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 recognized in the statement of profit or loss.

j) 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 of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

k) Cash dividend and non-cash distribution to equity holders of the parent

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the parent, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognized directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in the statement of profit and loss.

l) Contingent Liabilities

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. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

m) Measurement of EBITDA

The Company has elected to present earnings before interest expense, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the face of profit/(loss) from continuing operations. In the measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.