To the Members of India Education Services Private Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of India Education Services Private 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, 2019 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 2019. 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: 20512362AAAAFQ1385

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of India Education Services Private 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. Accordingly, the provisions of clause (iii) (a), (b), (c) of the order is not applicable to the company.

(iv) In our opinion and according to information and explanations given to us, there are no loans, investment, guarantee and securities given in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) According to information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) 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 in the business of sale of any goods, Therefore in our opinion, 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, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, 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: 20512362AAAAFQ1385

Annexure B to the Independent Auditor's Report of even date on The Financial Statements of India Education Services Private 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 India Education Services Private 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: 20512362AAAAFQ1385

India Education Services Private Limited
Balance sheet as at March 31, 2020

		Notes	As at 31st March 2020	As at 31st March 2019
			INR in '000	INR in '000
	ASSETS			
1)	**Non-current assets**			
	(a) Property, plant and equipment	3	25	25
	(b) Income tax assets (net)	4	1,696	3,246
	Total non-current assets		**1,721**	**3,271**
2)	**Current assets**			
	(a) Financial assets			
	(i)Cash and cash equivalents	5	2,320	6,664
	(ii) Trade receivables	6	275	275
	Total current assets		**2,595**	**6,939**
	TOTAL ASSETS		**4,316**	**10,210**
	EQUITY AND LIABILITIES			
1)	**Equity**			
	(a) Equity share capital	7	20,000	20,000
	(b) Other equity	8	(19,001)	(17,529)
	Total equity		**999**	**2,471**
	Liabilities			
2)	**Current liabilities**			
	(a) Financial liabilities			
	(i)Trade Payables			
	a) total outstanding due of micro, small and medium enterprises	9	-	-
	b) total outstanding other than of micro enterprises and small enterprises	9	342	-
	(ii)Other financial liabilities	10	2,964	7,570
	(b)Provisions	11	-	107
	(c) Other current liabilities	12	11	62
	Total current liabilities		**3,317**	**7,739**
	Total liabilities		**3,317**	**7,739**
	TOTAL EQUITY AND IABILITIES		**4,316**	**10,210**

The accomanying notes are an integral part of these financial statements.
In terms of our report of even date attached

For and on behalf of the Board of Directors of
India Education Service Private Limited

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

(Rajan Bhalla)	**(Pervez Diniar Bajan)**
(Director)	(Director)
(DIN: 08098945)	(DIN : 07474238)

Saurabh Kuchhal
Partner
Membership No.512362
Place:
Date:

India Education Services Private Limited

Statement of profit and loss for the year ended March 31, 2020

	Particulars	Note No	Year ended 31st March 2020 INR in '000	Year ended 31st March 2019 INR in '000
I	Revenue from operations	13	-	196
II	**Total Income (I)**		**-**	**196**
III	**Expenses**			
	Employee benefits expense	14	1,220	2,108
	Finance costs	15	-	1
	Depreciation expense	16	-	392
	Other expenses	17	374	779
	Total expenses (III)		**1,594**	**3,280**
IV	**Profit/(loss) before tax (II-III)**		(1,594)	(3,084)
V	**Earnings before interest, tax, depreciation and amortization (EBITDA)**		**(1,594)**	**(2,690)**
VI	Tax expense		-	-
VII	**Profit/ (loss) for the period (IV-VI)**		**(1,594)**	**(3,084)**
VIII	**OTHER COMPREHENSIVE INCOME**			
A (i)	~~Items that will not to be reclassified to profit or loss~~			
	Remeasurement of the defined benefit plans	18	121	-
B (i)	~~Items that will be reclassified to profit or loss~~		-	-
	Income tax relating to items that will be reclassified to profit or loss		-	-
	Other comprehensive income for the year, net of tax		**121**	**-**
IX	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX**		**(1,472)**	**(3,084)**
	Earnings/(Loss) per share	19		
	Basic (Nominal value of share INR 10/Share)		(0.74)	(1.54)
	Diluted (Nominal value of share INR 10/Share)		(0.74)	(1.54)

The accomanying notes are an integral part of these financial statements.
In terms of our report of even date attached

For and on behalf of the Board of Directors of
India Education Service Private Limited

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

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

(Pervez Diniar Bajan)
(Director)
(DIN : 07474238)

Saurabh Kuchhal
Partner
Membership No.512362

Place:
Date:

India Education Services Private Limited
Cash Flow Statement for the year ended March 31, 2020

Particulars	31st March, 2020 (INR in '000)	31st March, 2019 (INR in '000)
Cash flow from Operating activities :		
Profit/(loss) before tax	**(1,594)**	**(3,084)**
Adjustments for:		
Depreciation of property, plant and equipment	-	392
Exchange differences (net)	-	1
Cash flows from operating activites before changes in following assets and liabilities	**(1,594)**	**(2,691)**
Changes in operating assets and liabilties		
Increase/(Decrease) in trade payables	(4,263)	6,865
Increase/(Decrease) in short-term provisions	14	25
Increase/(Decrease) in other current liabilities	(51)	49
Increase/(Decrease) in non current trade payables	-	(3,179)
Decrease/(Increase) in trade receivables	-	241
Decrease/(Increase) in other current assets	-	106
Cash generated from operations	**(4,300)**	**4,108**
Income Tax paid (net of refunds)	1,550	-
Net cash from operating activities (A)	**(4,344)**	**1,417**
Cash flow from Investing activities :		
Proceeds from sale of property, plant and equipment	-	150
Net cash flows from/(used in) investing activities (B)	**-**	**150**
Cash flow from Financing activities :	**-**	**-**
Net cash flows from/(used in) financing activities (C)	**-**	**-**
Net increase in cash and cash equivalents (D=A+B+C)	**(4,344)**	**1,567**
Cash and cash equivalents at the beginning of the year (E)	6,664	5,097
Cash and cash equivalents at the end of year (D+E)	**2,320**	**6,664**
Components of cash and cash equivalents at the end of the year		
Balance with Banks		
- on current account	2,291	6,634
- on deposit account	29	30
Cash and Cash equivalents as per cash flow statement	**2,320**	**6,664**

The accomanying notes are an integral part of these financial statements.
In terms of our report of even date attached

For and on behalf of the Board of Directors of
India Education Service Private Limited

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

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

(Pervez Diniar Bajan)
(Director)
(DIN : 07474238)

Saurabh Kuchhal
Partner
Membership No.512362

Place:
Date:

India Education Services Private Limited
Statement of changes in equity as on March 31, 2020

A. Equity Share Capital (Refer note 7)

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

Particulars	Equity Share capital	
	Number	(INR in '000)
Balance as at March 31, 2018	118,400,000	1,184,000
Changes in share capital during the year	(116,400,000)	(1,164,000)
Balance as at March 31, 2019	2,000,000	20,000
Changes in share capital during the year	-	-
Balance as at March 31, 2020	2,000,000	20,000

B. Other Equity Attributable To Equity Holders (Refer note 8) **(INR in '000)**

Particulars	Retained earnings	Total
Balance as at March 31, 2018	(1,178,445)	(1,178,445)
Impact of reduction of share capital	1,164,000	1,164,000
Changes during the year	(3,084)	(3,084)
Balance as at March 31, 2019	**(17,529)**	**(17,529)**
Changes during the year	(1,594)	(1,594)
Other comprehensive income	121	121
Balance as at March 31, 2020	**(19,001)**	**(19,001)**

The accomanying notes are an integral part of these financial statements.
In terms of our report of even date attached

For and on behalf of the Board of Directors of
India Education Service Private Limited

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

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

(Pervez Diniar Bajan)
(Director)
(DIN : 07474238)

Saurabh Kuchhal
Partner
Membership No.512362

Place:
Date:

India Education Services Private Limited
Notes to financial statements for the year ended March 31, 2020

Note 3 : Property, Plant and Equipment

(INR in '000)

Particulars	Computers	Total (Tangible Assets)
Cost		
As at 31 March 2018	**2,378**	**2,378**
Disposals	(1,879)	(1,879)
As at 31 March 2019	**499**	**499**
Additions	-	-
As at 31 March 2020	**499**	**499**
Depreciation and Impairment		
As at 31 March 2018	**1,812**	**1,812**
Charge for the year	392	392
Disposals	(1,730)	(1,730)
As at 31 March 2019	**474**	**474**
Charge for the year	-	-
As at 31 March 2020	**474**	**474**
Net Block		-
As at 31 March 2020	**25**	**25**
As at 31 March 2019	**25**	**25**
As at 31 March 2018	**566**	**566**

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India Education Services Private Limited
Notes to financial statements for the year ended March 31, 2020

(INR '000)

Note 4 : Income Tax Assets	As at 31 March 2020	As at 31 March 2020
Income tax assets (net) [related to current tax]	1,696	3,246
Total	**1,696**	**3,246**
Current	-	-
Non current	1,696	3,246

(INR '000)

Note 5 : Cash and Cash Equivalents	As at 31 March 2020	As at 31 March 2020
Balance with banks :		
- On deposit accounts	2,291	6,634
- On current accounts	29	30
Total	**2,320**	**6,664**

(INR '000)

Note 6 : Trade Receivables	As at 31 March 2020	As at 31 March 2020
Receivables from related parties (refer note 20A)	275	275
Total	**275**	**275**

(INR '000)

Particulars	As at 31 March 2020	As at 31 March 2020
Secured, considered good	-	-
Unsecured, considered good	275	275
Unsecured, considered doubtful	-	-
Total	**275**	**275**

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India Education Services Private Limited
Notes to financial statements for the period ended March 31, 2020

Note 7 : Share Capital
Authorized Share Capital

Particulars	No. of shares	(Rs in '000)
At 31 March 2018	118,400,000	1,184,000
Increase/(decrease) during the year	-	-
At 31 March 2019	118,400,000	1,184,000
Increase/(decrease) during the period	-	-
At 31 March 2020	118,400,000	1,184,000

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 and subscribed capital

Equity shares of INR 1- each issued, subscribed and fully paid	No. of shares	(Rs in '000)
At 31 March 2018	118,400,000	1,184,000
Changes during the year*	(116,400,000)	(1,164,000)
At 31 March 2019	2,000,000	20,000
Changes during the period	-	-
Reduction pursuant to Scheme of Capital reduction (refer Note---)	-	-
At 31 March 2020	2,000,000	20,000

* A Scheme of reduction of share capital by INR 11,64,000 (thousands) was was sanctioned by NCLT (appointed date September 30, 2017) and the order has been filed with ROC on August 22, 2018. Consequently, in terms of the scheme, the impact of the scheme has been accounted for in the books during the year ended March 31, 2019 by debiting the Share Capital and crediting the retained earnings by INR INR 11,64,000 (thousands).

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

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of shares	Amount (Rs in '000)	No. of shares	Amount (Rs in '000)
Shares outstanding at the beginning of the year	2,000,000	20,000	2,000,000	20,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of	**2,000,000**	**20,000**	**2,000,000**	**20,000**

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 March, 2020 (Rs in '000)	31 March, 2019 (Rs in '000)
HT Media Ltd	19,800	19,800
19,79,994 (March 31, 2019 - 19,79,994) 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	
	No. of shares	% holding in the No in class	No. of shares	% holding in the No in class
Equity shares of INR 10 each fully paid				
HT Media Ltd	1,979,994	99.0%	1,979,994	99.0%

(This space has been intentionally left blank)

India Education Services Private Limited
Notes to financial statements for the year ended March 31, 2020

(INR '000)

Note 8 : Other Equity	As at 31 March 2020	As at 31 March 2020
Retained Earnings	(19,001)	**(17,529)**
Total	**(19,001)**	**(17,529)**

Retained Earnings	Amount (INR '000)
At March 31, 2018	**(1,178,445)**
Impact of reduction of share capital	1,164,000
Net loss for the year	(3,084)
At March 31, 2019	**(17,529)**
Net loss for the year	(1,472)
At March 31, 2020	**(19,001)**

* A Scheme of reduction of share capital by INR 11,64,000 (thousands) was was sanctioned by NCLT (appointed date September 30, 2017) and the order has been filed with ROC on August 22, 2018. Consequently, in terms of the scheme, the impact of the scheme has been accounted for in the books during the year ended March 31, 2019 by debiting the Share Capital and crediting the retained earnings by INR INR 11,64,000 (thousands).

(INR '000)

Note 9 : Trade Payables	As at 31 March 2020	As at 31 March 2020
Trade payables		
- Micro, small and medium enterprises (refer note 23)	-	-
-others	342	-
Total	**342**	**-**

(INR '000)

Note 10 : Other Financial Liability	As at 31 March 2020	As at 31 March 2020
Other payable to related parties(refer note 20A)	2,964	7,570
Total	**2,964**	**7,570**

Note 10A : Break up of financial liabilities carried at amortized cost	As at 31 March 2020	As at 31 March 2020
Trade Payables	342	-
Other financial liabilities	2,964	7,570
Total	**3,306**	**7,570**

(INR '000)

Note 11 : Provisions	As at 31 March 2020	As at 31 March 2020
Provision for employee benefits		
Provision for Leave Encashment	-	26
Provision for Gratuity (refer note 21)	-	81
Total	**-**	**107.04**
Current	-	107
Non current	-	-

(INR '000)

Note 12 : Other current liabilities	As at 31 March 2020	As at 31 March 2020
Statutory dues	11	62
Total	**11**	**62**

(INR '000)

Note 13 : Revenue from Operations	31 March 2020	31 March 2019
Sale of goods		
Fees Income	-	196
Total	**-**	**196**

(INR '000)

Note 14 : Employee Benefit Expense	31 March 2020	31 March 2019
Salaries, wages and bonus	1,220	2,083
Gratuity expense (refer note 21)	-	25
Total	**1,220**	**2,108**

(INR '000)

Note 15 : Finance costs	31 March 2020	31 March 2019
Bank charges	-	1
Total	**-**	**1**

(INR '000)

Note 16 : Depreciation expense	31 March 2020	31 March 2019
Depreciation of Tangible assets	-	392
Total	**-**	**392**

(INR '000)

Note 17 : Other Expenses	31 March 2020	31 March 2019
Visiting Lecturer fees	-	77
Rent	187	264
Rates and taxes	-	9
Insurance	-	8
Plant and machinery	-	8
Building	2	2
Others	-	57
Travelling and conveyance	80	218
Legal and professional fees	65	129
Payment to auditor (refer details below)	40	2.703
Exchange differences (net)	-	1
Miscellaneous expenses	-	4
Total	**374**	**779**

(INR '000)

Payment to auditors Particulars	31 March 2020 (Rs in '000)	31 March 2019 (Rs in '000)
As auditor :		
- Audit fee	15	1
- Limited Review	15	1
- Tax audit fee	10	1
In other capacities :	-	
- Certification fees		
- Other services		
Reimbursement of expenses		
Service tax on above		
Total	**40**	**3**

(INR '000)

Note 18 : Other Comprehensive Income	31 March 2020	31 March 2019
Remeasurement of the defined benefit plans	121	-
Total	**121**	**-**

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India Education Services Private Limited
Notes to financial statements for the period ended March 31, 2020

Note 19 : 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 EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the period 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 earnings per share computations:

Particulars	31 March, 2020	31 March, 2019
Profit/(loss) attributable to equity holders (INR '000)	**(1,472)**	**(3,084)**
Weighted average number of Equity shares for for basic and diluted earnings per share (in '000) *	**2,000**	**2,000**
Earnings/(loss) per share		
Basic earnings per share	(0.74)	(1.54)
Diluted earnings per share	(0.74)	(1.54)

* The weighted average number of shares takes into account the weighted average effect of changes in share issued during the period. There have been no other transactions involving Equity shares or potential Equity shares between in the reporting date and the date of authorization of these financial statements.

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Note 20: Related party transactions

List of Related Parties and Relationships:-

Name of related parties where control exists whether transactions have occurred or not.	HT Media Limited
	Apollo Global Singapore Holdings Pte Ltd. (ceased to Joint ventuure wef 18 July 2017)
Fellow Subsidiaries (With whom transactions have occurred during the period)	Hindustan Media Ventures Ltd.
List of KMPs	Mr. Piyush Kumar Gupta, Director
	Mr. Pervez Diniar Bajan, Director
	Mr. Dinesh Mittal, Director
	Mr. Muralidhar Rao (CEO) (resigned on 30 September 2019)
	Mr. Prince Jain (Company Secretary) (resigned on 15 January 2019)
	Mr. Varun Gagneja (Chief Financial Officer) (resigned on 26 October 2018)
	Mr. Priyavrat Bhartia, Director (resigned on 18 July 2017)
	Mr. Shamit Bhartia, Director (resigned on 18 July 2017)
	Mr. Mehul R. Patel, Director (resigned on 18 July 2017)
	Mr. Curtis Matthew Uehlein, Director (resigned on 03 February 2017)
	Ms. Mary Folline Morris Cullen, Director (resigned on 18 July 2017)

ii) Transactions with related parties

Refer Note 21

iii) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. . This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates.

iv) Transactions with key management personnel or their relatives

No transactions with key management personnel or their relatives have occurred during the period.

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India Education Services Private Limited

Notes to financial statements for the period ended March 31, 2020

Note 21 :Transactions with related parties **(INR '000)**

Transactions during the period / period ended on	HT Media Limited		Hindustan Media Ventures Ltd		Apollo Global Singapore Holding Pte	
	Holding Company		Fellow Subsidiary		JV Partner	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Revenue						
Revenue from operations	-	40	-	-	-	-
Expenses	-	-	-	-		
Rent	187	113	-	-	-	-

Balance Outstanding as as 31.03.2020						
Equity Share Capital	19,800	19,800	-	-	200	200
Payables - Demerger	-	-	2,964	7,570	-	-
Trade receivable	275	275	-	-	-	-

Note - The transactions above do not include service tax, VAT, etc.

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India Education Services Private Limited
Notes to financial statements for the period ended March 31, 2020

Note 22: Net employee defined benefit liabilities **(INR '000)**

Particulars	31 March, 2020	31 March, 2019
Gratuity Plan	-	81
Total	**-**	**81**
Current	**-**	**5**
Non- Current	**-**	**76**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on separation at 15 days salary (last drawn salary) for each completed year of service. The Company has formed a Gratuity Trust to which contribution is made based on actuarial valuation done by independent valuer.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. The Company has purchased an insurance policy, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset.

The following tables summarises the components of net employee benefits recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet :

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

Present value of Obligation **(INR '000)**

Particulars	31 March, 2020	31 March, 2019
Opening Balance	-	56
Current service cost	-	15
Interest expense or cost	-	10
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- changes arising from changes in demographic assumptions	-	-
- change in financial assumptions	-	-
- experience variance (i.e. Actual experience vs assumptions)	-	-
Benefits Paid	-	-
Total	**-**	**81**

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

Particulars	31 March, 2020	31 March, 2019
Discount rate	7.70%	7.70%
Salary growth rate	10%	10%
Withdrawal rates, based on age: (per annum)		
Up to 30 periods	25%	25%
31 to 44 periods	10%	10%

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

(INR '000)

Particulars	31 March, 2020	31 March, 2019
Defined Benefit Obligation (base)	-	81

Impact on defined benefit obligation **(INR '000)**

Particulars	31 March, 2020		31 March, 2019	
Assumptions	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate (- / + 1%)	-	-	40	(34)
Salary Growth Rate (- / + 1%)	-	-	(34)	39
Attrition Rate (- / + 50%)	-	-	22	(17)

The sensitivity analysis above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The following payments are maturity profile of Defined Benefit Obligations in future ye

(INR '000)

Particulars	31 March, 2020	31 March, 2019
Within the next 12 months (next annual reporting period)	-	18
Between 2 and 5 periods	-	63
Between 5 and 10 periods	-	49
Beyond 10 periods	-	793
Total expected payments	-	923

Duration of the defined benefit plan obligation

Particulars	31 March, 2020	31 March, 2019
Range of duration	0	12

Defined contribution plan

(INR '000)

Particulars	31 March, 2020	31 March, 2019
Contribution to Provident and Other funds		
Charged to Statement of Profit and Loss	-	25

Leave Encashment (unfunded)
The Company recognizes the leave encashment expenses in the Statement of Profit and Loss based on actuarial valuation.
The expenses recognized in the Statement of Profit and Loss and the Leave encashment liability at the beginning and at the end of the period :

(INR '000)

Particulars	31 March, 2020	31 March, 2019
Liability at the beginning of the period	-	72
Benefits paid during the period	-	(46)
Acquisition Adjustment during the period	-	-
Provided during the period	-	-
Liability at the end of the period	-	26

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Note 23 : 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' Nil (Previous Year: ' Nil)

Note 24: Scheme Of Arrangements

A : 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.

B : Scheme of amalgamation of B2C business of the Company with Hindustan Media Ventures Limited

Pursuant to a Scheme of Arrangement u/s 230 and 232 of the Companies Act, 2013 between India Education Services Private Limited (IESPL) [Demerged Company or the Company] and a fellow subsidiary company viz. Hindustan Media Ventures Limited [Resulting Company], and their respective shareholders (Scheme), sanctioned by Hon’ble National Company Law Tribunal, Kolkata Bench and New Delhi Bench vide their respective orders dated August 5, 2019 (amended vide order dated August 28, 2019) (certified copy received on November 08, 2019) and October 22, 2019 (certified copy received on November 11, 2019) respectively, the Business to Consumer (B2C) Education business of Company along with its related assets and liabilities have been transferred to Resulting Company, with effect from the appointed date October 1, 2017.

Certified copy of the orders sanctioning the Scheme have been filed with Registrar of Companies (RoC), Delhi and Bihar on November 19, 2019. Accordingly, the Scheme has been given effect in these financial statements effective October 1, 2017 and the comparative figures presented have been restated accordingly.

Pursuant to the Scheme, the Resulting Company has allotted its 2,77,778 equity shares of INR 10 each to the shareholders of the Company on December 5, 2019 in the proportion of 10 equity shares of INR 10 each fully paid up of the Resulting Company for every 72 equity shares of INR 10 each fully paid up of the Demerged Company.

In terms of the Scheme, effective from October 1, 2017:
a) The assets and liabilities of the B2C Education business of the Company have been transferred to the Resulting Company as the same book value appearing in the books of the Company on October 1, 2017.

b) The difference between assets and liabilities transferred to the Resulting Company has been credited to retained earnings as on October 1, 2017.

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India Education Services Private Limited
Notes to financial statements for the period ended March 31, 2020

Note 25 : Income Tax
The major components of income tax expense for the period ended 31 March 2020 and 31 March 2019 are :

Statement of profit and loss :

Particulars	31 March. 2020 (Rs in '000)	31 March. 2019 (Rs in '000)
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 recognized in OCI during in the period :

Particulars	31 March. 2020 (Rs in '000)	31 March. 2019 (Rs in '000)
Net loss/(gain) on Remeasurement 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.

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Note 26: Capital management

For the purpose of the companies capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the companies capital management is to maximize 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. The company monitors capital using a gearing ratio ,which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

(INR in '000)

Particulars	**As at 'March 31, 2020**	**As at 'March 31, 2019**
Trade payables (Note 9)	342	-
Borrowings	-	-
Less: cash and cash equivalents (Notes 5)	(2,291)	(6,634)
Net debt	**(1,948)**	**(6,634)**
Equity	999	2,471
Total capital	**999**	**2,471**
Capital and net debt	**(950)**	**(4,163)**
Gearing ratio	**205%**	**159%**

No changes were made in the objectives, policies or processes for managing capital during the periods ended March 31, 2020 and March 31, 2019.

Note 27: Segment information

The Company's operations comprise of only one segment i.e. "Rendering of digital service". 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 as well as outside India with the insignificant export income 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 28: 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.

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Note 29: 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 othe 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 risl 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.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The companies exposure to the risk of changes in foreign exchange rates relates primarily to the companies operating activities (when revenue or expense is denominated in a foreign currency).

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 6. 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 using a liquidity planning tool.
The 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.

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Note 30 : 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 and on behalf of the Board of Directors of
India Education Service Private Limited

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

(Rajan Bhalla)	**(Pervez Diniar Bajan)**
(Director)	(Director)
(DIN: 08098945)	(DIN : 07474238)

Saurabh Kuchhal
Partner
Membership No.512362

Place:
Date:

1. Corporate information

India Education Services Private Limited ("IESPL or The Company") is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. HT Media Limited holds 99% and Apollo Global Singapore Holdings Pte Ltd holds 1% stake in the Company. The Company is into the business of providing academic and related services to educational institutions and operates and manages learning centers in India.

The registered office of the Company is located at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi -110088.

Information on related party relationship of the Company is provided in Note No 20.

The financial statements of the Company for the Year ended 31th March, 2020 are authorised for issue in accordance with a resolution of the Board of Directors on June 02, 2020.

2. Significant accounting policies

2.1 Basis of preparation

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 have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Defined benefit plans - plan assets measured at fair value.
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands as per the requirement of Schedule III, unless otherwise stated.

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

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

All other assets are classified as non-current.

A liability is 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 students and delivery of programs and its realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

c) Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly'
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The 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.
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 recognised
Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered or delivery has occurred, fee or price to the customer is fixed or determinable and collectability is reasonably assured

- Tuition and educational services encompasses all educational delivery modalities (i.e online, on-campus etc.) and
- Revenue is recognized (Tuition fee incl registration fee, net of discounts) over the period of instruction as services are delivered to students, which may vary depending on the program structure. Following situations may arise-
  - **Regular Students**: Revenue is recognized over the period of instruction for the program.
  - **Students on Break**: Revenue is deferred till the time student joins back and revenue is recognized once the student’s period of instructions starts again.
  - **Drop out students**: Revenue is recognized to the extent instructions are delivered and payment is received.

- Students are billed separately for each program, resulting in the recording of a receivable from the student and deferred revenue in the amount of the billing.
- The Company generally recognizes revenue evenly over the period of instruction (e.g. five weeks for a five-week course) as services are delivered to the student.
- For students who enrolls at Company’s programs on risk free basis (100% scholarship,

Ambassador program, Trials), the Company does not recognize revenue for that program until students decide to continue beyond the risk free period, which is when the fees become fixed and determinable.

- The Company reassesses collectability throughout the period revenue is recognized when there are changes in facts or circumstances that indicate collectability is no longer reasonably assured
- Security deposit collected from students are refundable post completion of the program and are not recognized as revenue.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (ElR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Rental Income

Rental Income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

e) 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 is the aggregate amount included in the determination of profit or loss for the period in respect of current tax 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised 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 recognised for all taxable temporary differences.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in 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.

GST/ value added taxes paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of GST/ 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 recognised 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 GST 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.

f) Property, plant and equipment

The Company has applied one time transition option of considering the carrying cost of Property, plant and equipment on the transition date i.e. April 1, 2015 as the deemed cost under Ind- AS.

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 recognised 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.

All other expenses on existing assets, including day- to- day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

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 recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and 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.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day- to- day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
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.

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)
IT Equipments- Servers & Networks	6
IT Equipments- End User devices	3
Office Equipments	5
Furniture and Fittings	10

Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013. Property, Plant and Equipment which are added/disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion.

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

Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during-the construction periods which are not related to construction activity nor are incidental thereto are charged to Statement of Profit and Loss. Reinvested income earned during the construction period is adjusted against the total of indirect expenditure.

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

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

On transition to Ind-AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April1, 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.
Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

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

Intangible assets	**Useful lives**
Curriculum	3
Software	6

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

h) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

<u>Company as a lessee</u>

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

As a practical expedient a lessee (the company) has elected, by class of underlying asset, not to separate lease components from any associated non-lease components. A lessee (the company) accounts for the lease component and the associated non-lease components as a single lease component.

<u>Company as a lessor</u>

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

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.

There is no impact on transition as on 1 April 2019.

i) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Company's or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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

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

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the 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 recognised 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 recognised as a finance cost.

k) 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 recognised 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 recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in

subsequent periods.

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

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring cost

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

The Company recognises 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

Compensated Absences

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long- term employee benefit for measurement purposes. Such long- term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non- current liability.

l) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- Debt instruments at amortised cost

Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting

contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

De-recognition

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, 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)

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 recognises 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 recognising 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 analysed.

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 Statement of Profit and Loss. 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. 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, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables 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/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the ElR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The ElR amortisation is included as finance costs in the statement of profit and loss.
This category generally applies to borrowings.

De-recognition

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

Offsetting of financial instruments

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

m) 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.

n) 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.

o) 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.

p) Earnings per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:
-the profit attributable to owners of the Company
-by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:
-the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
-the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, 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 periods.

The areas involving critical estimates or judgement are as below:

Assessment of lease contracts

Significant judgement is required to apply lease accounting rules under Appendix C to Ind-AS 17: determining whether an Arrangement contains a Lease. In assessing the applicability to arrangements entered into by the Company, management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to Ind-AS 17.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

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.

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.

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 pretax 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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