



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
EXCELISOFT TECHNOLOGIES PRIVATE LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

I have audited the accompanying consolidated financial statements of **EXCELISOFT TECHNOLOGIES PRIVATE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (holding company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31st 2020, the Statement of Profit and Loss, statement of cash flows for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the Consolidated Financial Statements").

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

Basis for Opinion

I conducted the audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am 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 my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.



I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on the consolidated financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures and Shareholder's Information, but does not include the consolidated financial statements and the auditor's report thereon.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

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

Responsibilities of Management and Those Charges with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows of the Group in accordance with the Ind AS and other generally accepted in India, including the accounting standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

My objectives are to obtain reasonable assurance about whether the consolidated 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 my 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 consolidated financial statements.

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

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



obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

I communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which I am the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Other Matters

The Company is having only subsidiaries companies incorporated outside India namely, Excelsoft Technologies Inc, USA, Excelsoft Technologies Pte Ltd Singapore (formerly known as Infinity Pte. Ltd), Mctcor Online Learning Limited and Freedom to Learn limited UK. I have not audited the financial statements of the above subsidiaries. The financial statements of subsidiary at Singapore have been audited by other auditors whose reports have been furnished to me by the Management. In respect of other subsidiaries, the accounts of those companies were not required to be audited under the relevant Statues. I was furnished with unaudited statements an audited statement in respect of Singapore subsidiary. My opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and my report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors and disclosures in the unaudited statements.

My opinion on the consolidated financial statements, and my report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to my reliance on the work done and the reports of the other auditors and disclosures in the



unaudited statements and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, I report that, to the extent applicable, that:

- a) I have sought and obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit of the aforesaid consolidated financial statements.
- b) In my opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from my examination of those books and the reports of the other auditors.
- c) The reports on the accounts of the Company and Subsidiaries audited under Section 143(8) of the Act by other auditors have been sent to me, as applicable and have been properly dealt with in preparing this report.
- d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- e) In my opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls with reference to the financial statements and the operating effectiveness of such controls, refer to my separate Report in “Annexure A”, which is based on the Auditor’s reports of the Holding Company and I have relied on the Auditor’s report of the subsidiary companies incorporated outside India.
- h) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Group, since the Holding Company and the Subsidiary Companies



are not public company as defined under Section 2(71) of the Act. Accordingly reporting under Section 197(16) is not applicable.

- i) 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, as amended in my opinion and to the best of my information and according to the explanations given to me:
- i. There were no pending litigations which would impact the consolidated financial position of the Group.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For **B.N.C & CO.,**
Chartered Accountants
ICAI Firm Registration No.: 08188S



(B. N. CHANDRASHEKAR)

Proprietor

Membership No. 203078

UDIN: 21203078 AAAACH4777

Place: Mysuru

Date: 23-12-2021

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of my report of even date)

Report on the internal financial controls over financial reporting under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with my audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, I have audited the internal financial controls over financial reporting of M/s EXCELSOFT TECHNOLOGIES PRIVATE LIMITED ("Company") and its subsidiaries (the holding Company and its subsidiaries together referred to as "Group", as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

My responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on my audit. I conducted the audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. My 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.

I believe that the audit evidence obtained by me and other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for my audit opinion on the Group's, its associate and jointly controlled entities incorporated outside India, internal financial controls over financial reporting.

Meaning of internal financial controls over financial reporting

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

Inherent Limitations of internal financial controls over financial reporting

Because of the inherent limitation 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, protection of any evaluation of internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls 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 my opinion to the best of my information and according to the explanations given to me, and based on the consideration of reports of other auditors, as referred to in the other matters paragraph, the Company, its subsidiaries, associates and jointly controlled entities all incorporated outside India, have in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on, internal financial controls over financial reporting criteria established by the respective companies considering the essential



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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.

Other Matters

My aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of internal financial controls over financial reporting in so far as it relates to Consolidated/standalone financial statements of the foreign subsidiaries, which are companies incorporated outside India, are based on the corresponding reports of the audited statements and audit report of auditor of such companies and unaudited statements.

For **B.N.C & CO.,**

Chartered Accountants

ICAI Firm Registration No.: 08188S




(**B. N. CHANDRASHEKAR**)

Proprietor

Membership No. 203078

UDIN: 21203078AAAACH4777

Place: Mysuru

Date: 23-12-2021

CONSOLIDATED BALANCE SHEET AS AT MARCH 31,2020

	Note No.	As at March 31,2020	As at March 31,2019
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	6	295,612,342	321,366,259
(b) Right-of-use assets	7	2,097,747,617	-
(c) Capital work-in-progress		-	-
(d) Investment in property - Right-of-use assets		-	-
(e) Goodwill	9	-	-
(f) Other intangible assets	9	1,067,499,696	475,660,447
(g) Intangible assets under development	8	111,270,924	316,920,387
(h) Biological Assets other than bearer plants		-	-
(i) Financial Assets		-	-
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Others		-	-
(j) Deferred tax assets (net)		-	-
(k) Other non-current assets	10	161,359,333	1,244,223,637
Total Non-current assets		3,733,489,912	2,358,170,730
(2) Current assets			
(a) Inventories		-	-
(b) Financial assets		-	-
(i) Investments		-	-
(ii) Trade receivables	11	300,812,206	210,580,657
(iii) Cash and cash equivalents	12	4,068,092	4,454,363
(iv) Bank balances other than (iii) above	13	50,076,947	2,817,625
(v) Loans		-	-
(vi) Unbilled revenue	14	25,790,458	402,230,653
(c) Current tax assets (Net)		-	-
(d) Other current assets	15	26,842,862	28,886,119
Total current assets		407,590,565	648,969,417
TOTAL ASSETS		4,141,080,477	3,007,140,147
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	16	15,936,420	15,936,420
(b) Other equity		2,077,340,969	2,190,569,880
Total equity		2,093,277,389	2,206,506,300
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,105,429,764	111,474,115
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises		-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(iii) Other financial liabilities		-	-
(b) Provisions	18	92,267,624	79,353,332
(c) Deferred tax liabilities (Net)		85,656,400	-
(d) Other non-current liabilities		-	-
Total Non current liabilities		1,283,353,788	190,827,447



Consolidated financial statements

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CONSOLIDATED BALANCE SHEET AS AT MARCH 31,2020

	Note No.	As at March 31,2020	As at March 31,2019
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	577,954,644	496,275,081
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	20	6,709,074	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	20	54,181,600	33,735,345
(iii) Other financial liabilities	21	3,344,889	2,117,519
(b) Other current liabilities	22	103,709,620	59,344,043
(c) Provisions	23	18,549,473	18,334,412
(d) Current tax liabilities (Net)		-	-
Total current liabilities		764,449,300	609,806,400
TOTAL EQUITY AND LIABILITIES		4,141,080,477	3,007,140,147

This is the financial statements referred to in my report of even date
for B.N.C. & Co.,
 Chartered Accountants

(B.N.Chandrashekhar)
 Proprietor
 Membership No 203078
 ICAI Firm Registration No. 081885

Place: Mysore
 Date: 23-12-2020

UDIN: 21203078AAAACH4777

for and on behalf of the Board


M. H. Dhananjaya
 Chairman
 DIN: 00423968


D. Sudhanva
 Managing Director
 DIN: 00423641



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE
 YEAR ENDED MARCH 31, 2020**

Particulars		Note	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from operations	24	1,034,736,377	704,800,381
II	Other income	25	14,166,454	15,830,838
III	Total income (I+II)		1,048,902,831	720,631,219
IV	Expenses			
	Cost of material consumed		-	-
	Purchase of stock-in-trade		-	-
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		-	-
	Employee benefits expense	26	466,573,530	496,274,390
	Finance costs	27	127,922,869	59,963,858
	Depreciation and amortization expense	28	216,001,632	168,597,504
	Other expenses	29	195,819,463	147,573,463
	Total expenses (IV)		1,006,317,494	872,409,215
V	Profit/(loss) before exceptional items and tax (III- IV)		42,585,337	(151,777,996)
VI	Exceptional items			
	Impairment of goodwill on investments in subsidiaries - Loss		-	60,967,521
VII	Profit/(loss) before tax (V-VI)		42,585,337	(212,745,517)
VIII	Tax expense			
	(1) Current tax		4,651,048	-
	(2) Deferred tax	38	88,390,393	-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		(50,456,104)	(212,745,517)
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		(50,456,104)	(212,745,517)
XIV	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		(5,613,765)	80,345
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1,561,749	-
	B (i) Items that will be reclassified to profit or loss			
	a) Deferred gains or losses on cash flow hedges		(1,227,370)	(562,758)
	b) Foreign currency translation reserve		3,482,503	199,332
	(ii) Income tax relating to items that will be reclassified to profit or loss		1,172,244	-
	Total other comprehensive income		(624,639)	(283,081)
XV	Total comprehensive income for the period (XIII+XIV)(Comprising profit (loss) and other comprehensive income for the period)		(51,080,743)	(213,028,598)



Consolidated financial statements

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**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE
 YEAR ENDED MARCH 31, 2020**

Particulars	Note No.	Year ended	Year ended
		March 31, 2020	March 31, 2019
XVI Earnings per equity share (for continuing operation)			
Basic (in ₹)	30	(31.66)	(133.50)
Diluted(in ₹) (Paid up value per share)	30	(31.58) 10.00	(133.17) 10.00
XVII Earnings per equity share (for discontinued operation)			
Basic (in ₹)		-	-
Diluted(in ₹)		-	-
XVIII Earnings per equity share(for discontinued & continuing operations)			
Basic (in ₹)		(31.66)	(133.50)
Diluted(in ₹)		(31.58)	(133.17)

Significant accounting policies and notes attached form an integral part of the 1 - 39 financial statements

This is the financial statements referred to in my report of even date
for B.N.C. & Co.,
 Chartered Accountants

(B.N.Chandrashekhar)
 Proprietor
 Membership No 203078
 ICAI Firm Registration No. 081885

Place: Mysore
 Date: 23-12-2020

UDIN: 21203078AAAACH4777



for and on behalf of the Board


M. H. Dhananjaya
 Chairman
 DIN: 00423968


D. Sudhanva
 Managing Director
 DIN: 00423641

**CONSOLIDATED CASH FLOW STATEMENT FOR THE
 YEAR ENDED MARCH 31, 2020**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities		
Profit for the period	(50,456,104)	(212,745,517)
Adjustments to reconcile net profit to net cash from operating activities		
Income Tax Expenses	93,041,441	-
Depreciation and amortization Expenses	216,001,632	168,597,504
Impairment of goodwill on investments in subsidiaries Loss	-	60,967,521
Finance costs	112,337,479	46,734,860
Impairment loss recognized / (reversed) under expected credit loss model	13,108,953	-
Interest income	(8,741,288)	(201,696)
Rental income	(5,321,104)	(4,686,480)
Exchange difference on items grouped under financing activities	15,585,390	13,228,998
(Profit)/loss on sale of assets	-	68,888
Operating profit before working capital changes	385,556,399	71,964,078
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(129,181,990)	160,906,494
Other financial assets and other assets	(50,376,367)	13,713,144
Trade payables	27,155,329	-
Other financial liabilities, other liabilities and provisions	55,351,446	(33,026,653)
Income tax paid	(4,651,048)	-
Net cash from operating activities	283,853,769	213,557,063
B. Cash flows from investing activities		
Purchase of fixed assets	(3,090,586)	(21,374,839)
Internal capitalisation of intangible assets	(111,270,924)	(111,397,922)
Right-of-use assets	(1,077,067,856)	-
Long term loans & advances	-	1,798,379
Rental income	5,321,104	4,686,480
Interest received	1,415,201	201,696
Deposits with banks	(47,259,322)	(2,817,625)
Net cash used in investing activities	(1,231,952,383)	(128,903,832)

Consolidated financial statements

**CONSOLIDATED CASH FLOW STATEMENT FOR THE
 YEAR ENDED MARCH 31, 2020**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C. Cash flows from financing activities		
Proceeds from borrowings	1,114,485,551	(50,712,385)
Repayment of borrowings	(54,435,729)	-
Interest paid (including interest rate swaps)	(112,337,479)	(59,963,858)
Net cash used in financing activities	947,712,343	(110,676,243)
Net increase in cash and cash equivalents (A+B+C)	(386,271)	(26,023,012)
Cash and cash equivalents at the beginning of the year	4,454,363	30,477,375
Cash and cash equivalents at the end of the year	4,068,092	4,454,363
Components of cash and cash equivalents		
Balances with scheduled banks		
- in current accounts	4,068,010	4,416,510
Cash on hand	82	37,853
	4,068,092	4,454,363

This is the financial statements referred to in my report of even date

for **B.N.C. & Co.,**
 Chartered Accountants

(B.N.Chandrashekar)

Proprietor
 Membership No 203078
 ICAI Firm Registration No. 08188S

Place: Mysore

Date: 23-12-2020

UDIN: 21203078AAAACH4777



for and on behalf of the Board

M. H. Dhananjaya

Chairman
 DIN: 00423968

D. Sudhanva

Managing Director
 DIN: 00423641

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Particulars	Reserves and surplus				Items of other comprehensive income			Total
	Equity share capital	Securities premium	Employee stock option reserve	General reserve	Surplus in profit and loss account	Foreign currency translation reserve	Cash flow hedging reserve	
Balance as at 1st April 2018	15,936,420	42,369,980	2,546,500	137,410,886	2,224,514,258	(1,688,385)	(1,554,761)	2,403,598,478
Loss for the year	-	-	-	-	(212,745,517)	-	-	(212,745,517)
Other comprehensive income/(losses)	-	-	-	-	80,345	199,332	(562,758)	(283,081)
Balance as at 31st March 2019	15,936,420	42,369,980	2,546,500	137,410,886	2,011,849,086	(1,489,053)	(2,117,519)	2,190,569,880
Balance as at 1st April 2019	15,936,420	42,369,980	2,546,500	137,410,886	2,011,849,086	(1,489,053)	(2,117,519)	2,190,569,880
Adjustment on adoption of Ind AS 116 - Interest	-	-	-	-	7,239,290	-	-	7,239,290
Adjustment on adoption of Ind AS 116 - Depreciation	-	-	-	-	(69,387,458)	-	-	(69,387,458)
Interest hedging of previous year reclassified to profit and loss account	-	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	(50,456,104)	-	-	(50,456,104)
Other comprehensive income/(losses)	-	-	-	-	(4,052,016)	3,724,199	(296,822)	(624,639)
Balance as at 31st March 2020	15,936,420	42,369,980	2,546,500	137,410,886	1,895,192,798	2,235,146	(2,414,341)	2,077,340,969

This is the financial statements referred to in my report of even date for **B.N.C. & Co.**, Chartered Accountants

(B.N.Chandrashekhar)
Proprietor
Membership No. 203078
ICAI Firm Registration No. 08188S

Place: Mysore
Date: 23-12-2020

UDIN: 21203078AAAACH4777

for and on behalf of the Board


M. H. Dhananjaya
Chairman
DIN: 00423968


D. Sudhanva
Managing Director
DIN: 00423641



Notes forming part of the Consolidated Financial Statements

1 Company overview

Excelsoft Technologies Private Limited and its subsidiaries (collectively referred to as "the Group") provide innovative technology-based solutions in the education and e-learning space. The Group architects, designs and develops technology solutions and digital content and has established itself in a leadership position in the e-learning business. The Group's platforms - Saras (a learning and assessment technology framework), OpenPage (a digital interactive ebook ecosystem), CollegeSparc (a Student Success Products) and Education Enterprise Information Management System have been used by over 30 million users in more than 60 countries. The Group's learning design and content development practice is a process-driven model that delivers cost-effective, professionally developed content solutions for a wide spectrum of clients.

The Company is a Private Limited Company incorporated and domiciled in Mysore, Karnataka, India. As at March 31, 2020 the Pedanta Technologies Pvt Ltd is the holding company owns controlling stake of the company's equity along with its promoters.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2020 and authorised for issue on December 23, 2020.

2 Basis of preparation

These consolidated financial statements have been prepared in accordance with the Indian accounting standards referred to as Ind AS prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015 as amended from time to time. The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values or amortised cost at the end of the each accounting period.

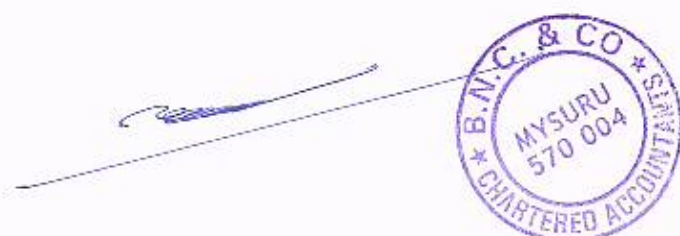
Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

3 Basis of consolidation

Excelsoft consolidates the subsidiaries, which it controls or owns. The Consolidated Financial Statement comprises the financial statement of the Company and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.



Consolidated financial statements

Notes forming part of the Consolidated Financial Statements

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

4 Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect certain reported balances of assets and liabilities, disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Accordingly, future results could differ due to changes in these estimates and the difference between the actual result and the estimate are recognized in the period in which the results are known / materialize. Accounting estimates could change from period to period. Appropriate change in the estimates are made as the management becomes aware of the changes in the circumstance surrounding the estimates. Changes in the estimates are reflected in the financial statements in the period in which the changes are made.

Estimates of the uncertainties relating to global health pandemic COVID - 19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties to the Group, it has used the internal and external source of the information including credit reports and economic forecasts etc. Based on the current estimates and assumptions, the Group expects the carrying amount of these assets will be recovered. The impact of COVID - 19 on the Group's financial statements may differ from that estimate as at the date of approval of these Consolidated financial statements.

The Group uses the following critical accounting estimates in preparation of its consolidated financial statements:

a. Revenue recognition

The Group's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.



Consolidated financial statements

Notes forming part of the Consolidated Financial Statements

Fixed-price maintenance revenue is recognized rateably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed-price maintenance contracts is recognized rateably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Group's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of a method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

The Group uses the percentage-of-completion method in accounting for other fixed-price contracts. Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgment and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

b. Provision for income tax and deferred tax assets

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

c. Business combination

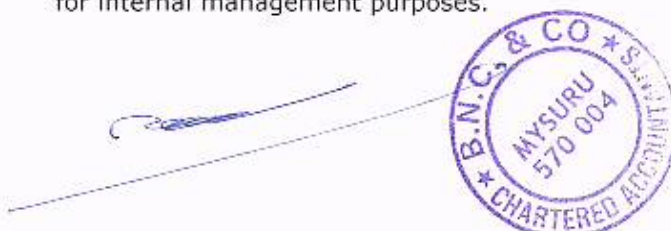
In accounting for business combinations, judgment is required estimating the fair value of the identifiable assets (including useful life estimates), liabilities and contingent liabilities and assumed it involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

d. Property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

e. Impairment of goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.



Consolidated financial statement:

Notes forming part of the Consolidated Financial Statements

The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell.

Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long-term growth rates, weighted average cost of capital and estimated operating margins.

f. Other intangible assets

The Group amortizes intangible assets on a straight-line basis over estimated useful lives of the assets. The useful life is estimated based on a number of factors including the effects of obsolescence, demand, competition and other economic factors such as the stability of the industry and known technological advances and the level of maintenance expenditures required to obtain the expected future cash flows from the assets. The estimated useful life is reviewed at least annually.

g. Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Group to use assumptions. These assumptions have been explained under employee benefits note.


h. Provisions and contingent liabilities

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates.

The Group uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

i. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease, and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that it reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to the lease periods relating to the existing lease contracts

**Consolidated financial statement.**

Notes forming part of the Consolidated Financial Statements**5 Significant accounting policies****i. Functional and presentation currency**

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). These consolidated financial statements are presented in Indian rupees, which is the functional currency of the Group.

ii. Foreign currency transactions and translation**a. Transactions and balances**

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit and loss and reported within foreign exchange gains/(losses), net, within results of operating activities except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Gains/(losses), net, relating to translation or settlement of borrowings denominated in foreign currency are reported within finance costs. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

b. Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed of, the relevant amount recognized in FCTR is transferred to the consolidated statement of profit and loss as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

iii. Financial instruments**A) Non-derivative financial instruments:**

Non-derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets; Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.



Consolidated financial statement:

Notes forming part of the Consolidated Financial Statements

- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, lease liabilities and eligible current and non-current liabilities.

Non-derivative financial instruments are recognized initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

a. Cash and cash equivalents:

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks are considered part of the Company's cash management system. In the consolidated balance sheet, bank overdrafts are presented under borrowings within current liabilities.

b. Other financial assets:

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled receivables, employee and other advances and eligible current and non-current assets.

c. Trade payables and other payables:

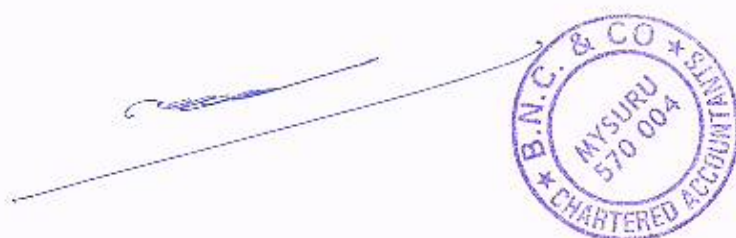
Trade payables and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

B) Derivative financial instruments**Interest rate hedges**

The Group is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency and didn't hedge the foreign currency fluctuation risk.

The Group is also exposed to interest rate risk on borrowings from banks as interest changes based on floating interest rate. The group hedged the interest rate risk on its foreign currency loan by entering in to hedging the interest rate risk.

Interest rate derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in consolidated statement of profit and loss as cost.


Consolidated financial statements

Notes forming part of the Consolidated Financial Statements

Subsequent to initial recognition, changes in the fair value are recognised in the other comprehensive income and held in cash flow hedging reserve, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the consolidated statement of profit and loss and reported as interest expenses.

C) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognize the financial asset and recognizes a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognized from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

iv. Property, plant and equipment**Recognition, measurement and depreciation**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

Capital work-in-progress are measured at cost less accumulated impairment losses, if any.

Depreciation on property, plant and equipment is provided on pro-rata basis using the Straight Line method based on the useful life specified in the Schedule II to the Companies Act, 2013 or useful life as determined by the management considering the technical evaluation, business specific use and consumption pattern of the assets.

Subsequent expenditure related to Property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are recognized in the Statement of Profit & Loss while incurred.

v. Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry and known technological advances). Amortization methods and useful lives are reviewed periodically including at each financial year end.

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually. The estimated useful lives of the amortizable intangible assets for the current and comparative periods are considered as (Customer-related software products) 10 years. (Comparative periods 5 years)

**Consolidated financial statements**

Notes forming part of the Consolidated Financial Statements

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the software, and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Consolidated Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

vi. Impairment**a) Financial assets**

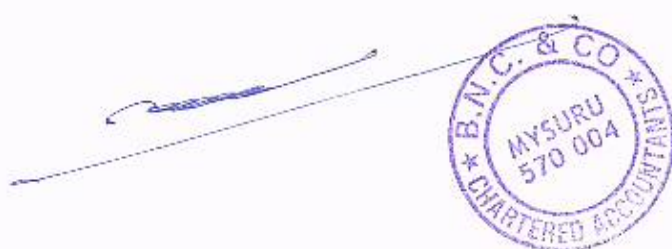
The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables, unbilled receivables, contract assets and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted using the effective interest rate.

Loss allowances for trade receivables, unbilled receivables and contract assets are measured at an amount equal to lifetime expected credit loss. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to account risk profiling of customers and historical credit loss experience adjusted for forward looking information.

b) Non-financial assets

The Group assesses long-lived assets such as property, plant and equipment, right-of-use assets and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets.

Goodwill is tested for impairment at least annually at the same time and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The goodwill impairment test is performed at the level of cash-generating unit or groups of cash-generating units which represents the lowest level at which goodwill is monitored for internal management purposes.

**Consolidated financial statement:**

Notes forming part of the Consolidated Financial Statements

The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the consolidated statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially. An impairment in respect of goodwill is not reversed.

vii. Employee benefits

a. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Provident fund

Eligible employees of Excelsoft Technologies Private Limited receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The monthly contributions is made to the government administrated provident and pension fund. The rate at which the annual interest is payable to the beneficiaries is being administered by the government and the same is paid by the provident and pension fund.

c. Gratuity

The Group provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees of Excelsoft Technologies Private Limited. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurements of the net defined benefit liability are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The effect of any plan amendments is recognized in the Consolidated Statement of Profit and Loss.



Consolidated financial statements

Notes forming part of the Consolidated Financial Statements**d. Compensated absences**

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

viii. Share based payment transactions

The Company has Employees Stock Option Scheme called "Excelsoft Employees Stock Option Scheme 2008" which was approved by the Board. Measurement and disclosure of the employee share based payment plans is done in accordance with Ind AS 102- Share based payments, issued by MCA. The Company measures compensation cost relating to employee stock options using intrinsic value method. Compensation expenses are amortized over the vesting period of the option on straight line basis.

The fair value of options granted under the Employees' Stock Option Scheme is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

ix. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.



Consolidated financial statement:

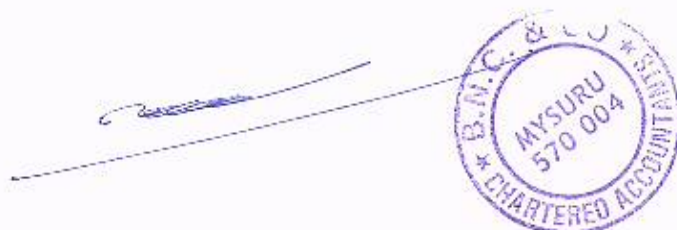
Notes forming part of the Consolidated Financial Statements**x. Revenue recognition**

The Group derives revenues primarily from IT services comprising licensing of eLearning software products and platforms, software development and related services, maintenance, and licensing the educational learning material copy rights, Content and KPO services in eLearning and development. Contracts with customers are either on a time-and-material, unit-of-work, fixed-price or on a fixed-timeframe basis.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved in writing by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Group has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Group allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Group estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Group's contracts may include variable consideration including rebates, volume discounts and penalties. The Group includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material and unit-of-work-based contracts, are recognized as the related services are performed. Fixed-price maintenance revenue is recognized rateably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or rateably using a percentage-of completion method when the pattern of benefits from the services rendered to the customer and the Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts.

**Consolidated financial statement:**

Notes forming part of the Consolidated Financial Statements

The billing schedules agreed with customers include periodic performance-based billing and / or milestone-based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues). In arrangements for software development and related services and maintenance services, by applying the revenue recognition criteria for each distinct performance obligation, the arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations.

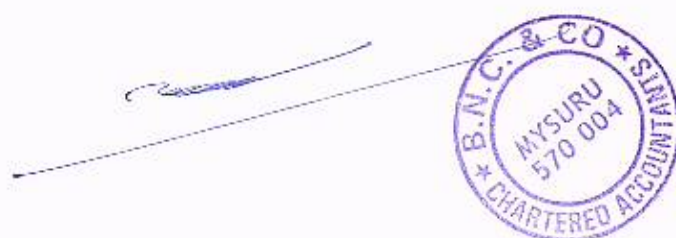
Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Arrangements to deliver software products generally have three elements : license, implementation and Annual Technical Services (ATS). When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the Group uses the expected cost plus margin approach in estimating the standalone selling price. Where the license is required to be substantially customized as part of the implementation service, the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized rateably on a straight line-basis over the period in which the services are rendered.

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Group expects to recover them. Any capitalized contract costs are amortized, with the expense recognized as the Group transfers the related goods or services to the customer. The Group presents revenues net of indirect taxes in its Consolidated Statement of Profit and Loss.

xi. Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the consolidated statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

**Consolidated financial statement:**

Notes forming part of the Consolidated Financial Statements**a. Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period. While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending the nature and circumstances of each uncertain tax position. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

b. Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in these consolidated financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period, taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

xii. Finance costs

Finance costs comprise interest cost on borrowings and lease liabilities, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

xiii. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options, except where the results would be anti-dilutive.



Consolidated financial statements

Notes forming part of the Consolidated Financial Statements

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any splits and bonus shares issues including for change effected prior to the approval of the consolidated financial statements by the Board of Directors.

xiv. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

xv. Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

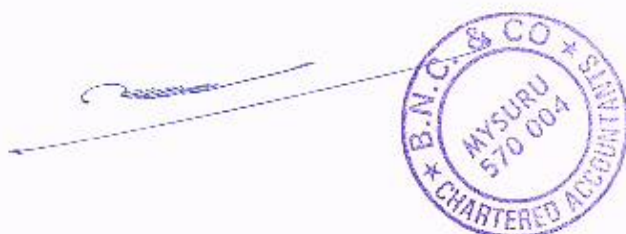
The Group enters into an arrangement for lease of land, buildings, plant and machinery. Such arrangements are generally for a fixed period but may have extension or termination options. The Group assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

- (a) control use of an identified asset.
- (b) obtain substantially all the economic benefits from use of the identified asset, and
- (c) direct the use of the identified asset.

The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability after adjusting the interest free lease deposit towards advance lease payment discounted at interest rate implicit in the lease or incremental borrowing rate of the group, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, the interest free lease deposit adjusted towards advance lease payment discounted at interest rate implicit in the lease or incremental borrowing rate of the group, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.



Consolidated financial statements

Notes forming part of the Consolidated Financial Statements

The Company applies Ind AS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

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 Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. 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 recognizes any remaining amount of the re-measurement in consolidated statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the consolidated statement of cash flows.

The Company as a lessor

Leases under which the Company is a lessor are classified as a finance or operating lease. Lease contracts where all the risks and rewards are substantially transferred to the lessee, are classified as a finance lease. All other leases are classified as operating lease.

For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.



Notes forming part of the Consolidated Financial Statements

6. Property, plant and equipment

Gross block	Land	Buildings	Plant and equipment	Computer hardware	Furniture and fittings	Motor vehicles	Office equipments	Total
Balance as at 01 April 2018	2,520,000	268,440,718	28,721,787	101,126,240	23,677,143	4,882,296	62,486,257	491,854,441
Additions	19,770,683	-	43,095	456,028	-	-	531,506	20,801,312
Less: Disposals	-	-	-	-	-	1,377,770	-	1,377,770
Translation difference	-	-	-	85,526	-	-	-	85,526
Balance as at 01 April 2019	22,290,683	268,440,718	28,764,882	101,667,794	23,677,143	3,504,526	63,017,763	511,363,509
Additions	-	-	-	2,504,512	24,576	-	561,498	3,090,586
Less: Disposals	-	13,014,289	-	-	-	-	-	13,014,289
Translation difference	-	-	-	84,400	-	-	-	84,400
Balance as at 31 March 2020	22,290,683	255,426,429	28,764,882	104,256,706	23,701,719	3,504,526	63,579,261	501,524,207
Accumulated depreciation/ impairment								
Balance as at 01 April 2018	-	13,900,482	15,160,784	89,375,973	16,889,006	3,393,686	32,482,271	171,202,202
Depreciation	-	4,701,174	2,058,885	5,069,262	1,751,996	316,003	6,131,815	20,029,135
Less: Disposals	-	-	-	-	-	1,308,882	-	1,308,882
Translation difference	-	-	-	74,795	-	-	-	74,795
Balance as at 01 April 2019	-	18,601,656	17,219,669	94,520,030	18,641,002	2,400,807	38,614,086	189,997,250
Depreciation and impairment **	-	14,978,423	1,937,013	4,258,890	1,429,978	316,868	5,935,555	28,856,727
Less: Disposals	-	13,014,289	-	-	-	-	-	13,014,289
Translation difference	-	-	-	72,176	-	-	-	72,176
Balance as at 31 March 2020	-	20,565,790	19,156,682	98,851,096	20,070,980	2,717,675	44,549,641	205,911,864
Net block								
Balance as at 31 March 2019	22,290,683	249,839,062	11,545,213	7,147,764	5,036,141	1,103,719	24,403,677	321,366,259
Balance as at 31 March 2020	22,290,683	234,860,639	9,608,200	5,405,610	3,630,739	786,851	19,029,620	295,612,342

** Includes impairment of buildings on lease hold land to the extent of Rs. 1,05,70,644/- for the year 2019-20



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Notes forming part of the Consolidated Financial Statements

7.Right-of-use assets

Gross block	Land	Buildings	Total
Balance as at 01 April 2019	603,727,688	546,121,617	1,149,849,305
Additions	565,513,832	511,554,024	1,077,067,856
Disposals	-	-	-
Balance as at 31 March 2020	1,169,241,520	1,057,675,641	2,226,917,161
Accumulated depreciation			
Balance as at 01 April 2019	36,431,843	32,955,615	69,387,458
Depreciation for the year	31,388,548	28,393,538	59,782,086
Disposals	-	-	-
Balance as at 31 March 2020	67,820,391	61,349,153	129,169,544
Net block			
Balance as at 31 March 2019	567,295,845	513,166,002	1,080,461,847
Balance as at 31 March 2020	1,101,421,129	996,326,488	2,097,747,617

On April 1, 2019, the Group adopted Ind AS 116, Leases, which applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings. On adoption of IND AS 116, Opening balance of interest free Lease deposit of Rs. 1,17,87,00,000/- has been discounted at 13% interest rate and arrived to present value of Rs. 2,88,50,695/- and considered as lease deposit. The balance amount Rs 1,14,98,49,305 of deposit is considered as right to use assets and capitalised. The retrospective depreciation impact on right to use assets Rs.6,93,87,458/- adjusted in opening retained earnings.

8.Intangible assets under development

Cost	Intangible assets under development
Balance as at 01 April 2018	334,394,828
Additions	115,092,888
Less: Capitalised	132,567,329
Balance as at 01 April 2019	316,920,387
Additions	111,270,924
Less: Capitalised	316,920,387
Balance as at 31 March 2020	111,270,924




Notes forming part of the Consolidated Financial Statements

9. Goodwill other intangible assets

Gross block	Customer related software products	Other computer software	Total	Goodwill on business combination
Balance as at 01 April 2018	831,821,914	167,931,944	999,753,858	61,228,292
Additions	132,567,329	823,567	133,390,896	-
Reclassification to exchange	-	-	-	(260,771)
Balance as at 01 April 2019	964,389,243	168,755,511	1,133,144,754	60,967,521
Additions	719,202,068	-	719,202,068	-
Disposals	211,505,380	-	211,505,380	-
Balance as at 31 March 2020	1,472,085,931	168,755,511	1,640,841,442	60,967,521
Accumulated amortisation / impairment				
Balance as at 01 April 2018	349,793,359	155,427,613	505,220,972	-
Amortisation	145,456,744	6,806,591	152,263,335	60,967,521
Balance as at 01 April 2019	495,250,103	162,234,204	657,484,307	60,967,521
Amortisation and impairment **	123,367,775	3,995,044	127,362,819	-
Disposals	211,505,380	-	211,505,380	-
Balance as at 31 March 2020	407,112,498	166,229,248	573,341,746	60,967,521
Net block				
Balance as at 31 March 2019	469,139,140	6,521,307	475,660,447	-
Balance as at 31 March 2020	1,064,973,433	2,526,263	1,067,499,696	-

** Includes impairment of intangible assets to the extent of Rs. 46,77,084/- for the year 2019-20



Notes forming part of the Consolidated Financial Statements

10 . Other non current assets
(unsecured and considered good)

- a) Advance tax (including refunds receivable) (net)
b) Security deposits

As at March 31,2020	As at March 31,2019
75,507,873	57,810,318
85,851,460	1,186,413,319
161,359,333	1,244,223,637

Security deposit includes the amount Rs. 7,97,58,918 (in 2018-19; 1,17,87,00,000) relating to lease deposit paid to holding company, Pedanta Technologies Pvt Ltd on lease of land and building.

11 . Trade receivables

- a) Trade receivables exceeding six months
b) others

Less: Allowance for doubtful receivables

As at March 31,2020	As at March 31,2019
64,745,437	167,482,599
256,130,065	157,391,480
320,875,502	324,874,079
20,063,296	114,293,422
300,812,206	210,580,657

Additional information

- i) Breakup of above
a) Secured, considered good
b) Unsecured, considered good
c) Doubtful
Less: Allowance for doubtful receivables
ii) Breakup of above relating to related parties

a) Enterprises over which key management personnel and their relatives are able to exercise significant influence

b) Amounts due by private companies in which directors of the Company are directors

-	-
300,812,206	210,580,657
20,063,296	114,293,422
320,875,502	324,874,079
20,063,296	114,293,422
300,812,206	210,580,657

56,349,905	75,184,586
-	342,200

12 . Cash and cash equivalents

- a) Balances with banks
- in current accounts
b) Cash on hand

As at March 31,2020	As at March 31,2019
4,068,010	4,416,510
82	37,853
4,068,092	4,454,363



Notes forming part of the Consolidated Financial Statements

13 . Other balances with banks

- a) Balances with banks
- in earmarked balances

As at March 31,2020	As at March 31,2019
50,076,947	2,817,625
50,076,947	2,817,625

14 . Unbilled revenue

- a) Unbilled revenue

As at March 31,2020	As at March 31,2019
25,790,458	402,230,653
25,790,458	402,230,653

15 . Other current assets

- a) Interest receivable
b) Other advances
c) Prepaid expenses
d) Employee advances

As at March 31,2020	As at March 31,2019
245,960	96,213
12,312,565	16,479,356
14,115,009	12,149,650
169,328	160,900
26,842,862	28,886,119

16 . Share capital

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
1 Authorised				
Equity shares of ₹ 10/- each	3,000,000	30,000,000	3,000,000	30,000,000
	3,000,000	30,000,000	3,000,000	30,000,000
2 Issued, subscribed and fully paid up				
Equity shares of ₹ 10/- each	1,593,642	15,936,420	1,593,642	15,936,420

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

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	1,593,642	15,936,420	1,593,642	15,936,420
Issued during the year	-	-	-	-
At the end of the year	1,593,642	15,936,420	1,593,642	15,936,420



Notes forming part of the Consolidated Financial Statements

b. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c. Particulars of equity share holders holding more than 5% of the total number of equity share capital

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of Holding	Number of shares	% of Holding
i D. Sudhanva	523,035	32.82%	523,035	32.82%
ii M. H. Dhananjaya	128,747	8.08%	128,747	8.08%
iii Lajwanti Sudhanva	192,725	12.09%	192,725	12.09%
iv Pedanta Technologies Pvt Ltd (Holding company)	707,416	44.39%	707,416	44.39%

Non - current liabilities**17 . Borrowings**

- Secured loans**
- a) Loans repayable on demand
- from banks
 - from financial institutions

	As at March 31, 2020	As at March 31, 2019
	72,623,776	111,474,115
	1,032,805,988	-
	1,105,429,764	111,474,115

Details of security for secured loans

Working capital loans from HDFC Bank Limited are secured by an exclusive charge on all the current assets and movable fixed assets of the Company, secondary charge on Equitable Mortgage of Rs. 63 Crores on Land and Building held by the Company and Holding company and personal guarantee of Mr.Sudhanva (Director of the Company). Repayable in 60 monthly installment. No default in repayment of installment

	As at March 31, 2020	As at March 31, 2019
	1,105,429,764	111,474,115

18 . Provisions

- a) For employee compensatory absences
- b) For employee defined benefit plans

	As at March 31, 2020	As at March 31, 2019
	15,541,028	14,184,908
	76,726,596	65,168,424
	92,267,624	79,353,332



Consolidated financial statements

Notes forming part of the Consolidated Financial Statements

Current liabilities

19 . Borrowings

I) Secured loans

- a) Loans repayable on demand from banks
 - Working capital limit
 - Current maturity of long term borrowings
- from Banks
- from financial institutions

Details of security for secured loans

Working capital loans from HDFC Bank Limited are secured by an exclusive charge on all the current assets and movable fixed assets of the Company, secondary charge on Equitable Mortgage of Rs. 63 Crores on Land and Building held by the Company and Holding company and personal guarantee of Mr.Sudhanva (Director of the Company).

II) Unsecured loans

- a) Loans from directors

	As at March 31,2020	As at March 31,2019
	483,676,073	425,637,610
	54,467,747	50,678,639
	12,500,000	-
	27,310,824	19,958,832
	577,954,644	496,275,081

20 . Trade payables

- a) Total outstanding dues of micro and small enterprises
- b) Total outstanding dues other than micro and small enterprises

	As at March 31,2020	As at March 31,2019
	6,709,074	-
	54,181,600	33,735,345
	60,890,674	33,735,345

21 . Other financial liabilities

Derivatives

Interest rate swap

	As at March 31,2020	As at March 31,2019
	3,344,889	2,117,519
	3,344,889	2,117,519

22 . Other current liabilities

- a) Statutory dues
- b) Employee benefits payable
- c) Others
- d) Interest Payable

	As at March 31,2020	As at March 31,2019
	27,777,712	18,516,781
	38,790,307	37,291,832
	2,785,985	3,535,430
	34,355,616	-
	103,709,620	59,344,043



Notes forming part of the Consolidated Financial Statements

23 . Provisions

- a) Provision for short term compensated absences
b) Provision for gratuity

As at March 31,2020	As at March 31,2019
4,485,155	5,261,618
14,064,318	13,072,794
18,549,473	18,334,412

24 . Revenue from operations

- a) Software sales and services
- Sale of service
- Sale of software license

Year ended March 31, 2020	Year ended March 31, 2019
658,426,953	477,144,053
376,309,424	227,656,328
1,034,736,377	704,800,381

25 . Other income

- a) Interest income
b) Miscellaneous income
c) Rental income
d) Exchange (gain) / loss (net)

Year ended March 31, 2020	Year ended March 31, 2019
8,741,288	201,696
104,062	3,933,179
5,321,104	4,686,480
-	7,009,483
14,166,454	15,830,838

26 . Employee benefit expenses

- a) Salaries , wages and bonus
b) Contribution to provident and other funds
c) Gratuity
d) Staff welfare expenses

Year ended March 31, 2020	Year ended March 31, 2019
433,851,389	461,792,057
12,045,388	16,050,899
13,586,616	14,807,088
7,090,137	3,624,346
466,573,530	496,274,390

27 . Finance costs

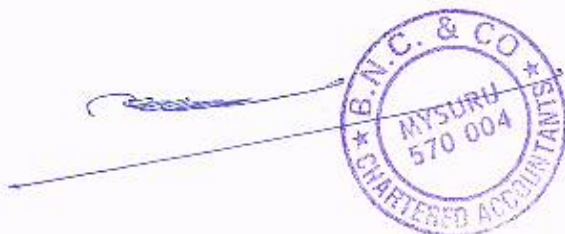
- a) Interest expenses
b) Exchange loss (attributable to finance costs)

Year ended March 31, 2020	Year ended March 31, 2019
112,337,479	46,734,860
15,585,390	13,228,998
127,922,869	59,963,858

28 . Depreciation and amortization

- a) Depreciation
b) Amortization of intangible assets

Year ended March 31, 2020	Year ended March 31, 2019
88,638,813	16,334,169
127,362,819	152,263,335
216,001,632	168,597,504



Notes forming part of the Consolidated Financial Statements

29 . Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
a) Software development and license charges	59,551,526	49,735,843
b) Service rendered by business associates and others	33,973,807	18,799,350
c) Information and communication expenses	3,536,535	3,702,264
d) Travelling and conveyance expenses		
Overseas	16,142,902	11,589,464
Domestic	4,685,675	6,381,825
e) Rent	9,859,462	8,340,245
f) Legal and professional fees	7,208,787	2,971,887
g) Payment to auditors		
Statutory audit	377,100	177,500
Other services	-	-
h) Maintenance and upkeep		
Building	5,152,715	3,513,213
Office and computer equipment	1,768,300	776,476
Others	2,272,303	2,230,329
i) Electricity and water expenses	8,194,855	6,801,643
j) Recruitment and training expenses	457,627	320,532
k) Printing and stationary	301,641	337,733
l) Insurance	803,068	659,277
m) Rates and taxes	577,927	813,008
n) Business promotion expenses	4,998,080	3,592,414
o) Bad debts written off	-	-
p) Provision for bad debts	13,108,953	20,545,541
q) Exchange (gain) / loss (net)	16,029,973	-
r) Profit / (loss) on sale of property, plant and equipment	-	68,888
s) Other expenses	6,818,227	6,216,031
	195,819,463	147,573,463

30 . Earnings per equity share

	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year after tax expense	(50,456,104)	(212,745,517)
Weighted average number of equity shares for basic EPS	1,593,642	1,593,642
Effect of dilution		
Share options	3,910	3,910
Weighted average number of equity shares adjusted for dilution	1,597,552	1,597,552
Paid up value per share	10	10
Earnings per share basic	(31.66)	(133.50)
Earnings per share diluted	(31.58)	(133.17)



Consolidated financial statements

Notes forming part of the Consolidated Financial Statements

31 . Disclosures as per IND AS 19 "Employee benefits"

a) Defined Contribution Plan

Contribution to defined contribution plan are recognized as expense for the year are as under

	Year ended March 31, 2020	Year ended March 31, 2019
Employer's contribution to provident & pension funds	13,720,165	12,765,662

b) Defined benefit plan

The employees' gratuity fund scheme and leave encashment are defined benefit plans. The Present value of obligation is determined based on actuarial valuation using the projected unit credit method.

1 Reconciliation of opening and closing balances of defined benefit obligation

	Year ended March 31, 2020	Year ended March 31, 2019
Defined benefit obligation at beginning of the year	78,241,218	76,504,628
Current service cost (*)	8,423,869	9,446,894
Past service cost	-	-
Interest cost	5,162,747	5,360,194
Actuarial (gain)/ loss	5,613,765	(3,345,943)
Benefits paid	(6,650,685)	(9,724,555)
Defined benefit obligation at end of the year	90,790,914	78,241,218

2 Reconciliation of opening and closing balance of fair value of plan assets

	Year ended March 31, 2020	Year ended March 31, 2019
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Employer contribution	6,650,685	9,724,555
Benefits paid	(6,650,685)	(9,724,555)
Actuarial gain/(loss)	-	-
Fair value of plan assets at year end	-	-
Reconciliation of fair value of assets and obligations		
Fair value of plan assets	-	-
Present value of obligation	90,790,914	78,241,218
Amount recognized in balance sheet under liabilities	90,790,914	78,241,218



Notes forming part of the Consolidated Financial Statements

3 Expense recognized during the year (under "Note 31" "Employee benefit expenses" in the statement of profit and loss)

	Year ended March 31, 2020	Year ended March 31, 2019
In income statement		
Current service cost	8,423,869	9,446,894
Past service cost	-	-
Interest cost	5,162,747	5,360,194
Expected return on plan assets	-	-
In other comprehensive income		
Actuarial (gain)/ loss	5,613,765	(3,345,943)
Net cost	19,200,381	11,461,145

	Year ended March 31, 2020	Year ended March 31, 2019
Actuarial assumptions		
Mortality table	Indian Assured Lives (2006 -08) (Ultimate)	Indian Assured Lives (2006 -08) (Ultimate)
Discount rate (per annum)	6.45%	7.20%
Expected rate of return on plan assets (per annum)	7.00%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

c) Sensitivity analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, has been determined based on possible effect of changes of an assumption occurring at end of the reporting period, while holding all other assumptions constant.

Particulars	March 31, 2020	
	Decrease	Increase
Change in discounting rate (delta effect of +/- 0.5%)	87,872,995	93,425,753
Change in rate of salary increase (delta effect of +/- 0.5%)	93,894,078	88,244,232

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.



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Longevity risk The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

32 . Segment reporting

As per Ind AS 108 on "Operating segments", segment information has been provided

Geographic segments	Revenue for the year ended March 31, 2020	Segment debtors as at March 31, 2020
India	119,905,229 <i>109,311,851</i>	98,284,101 <i>110,881,033</i>
North America	621,872,651 <i>553,656,543</i>	126,168,979 <i>106,520,084</i>
Europe	1,093,117 <i>313,143</i>	343,044 <i>11,126,944</i>
Asia other than India	215,249,595 <i>(64,612,287)</i>	92,391,013 <i>77,546,770</i>
Other countries	76,615,785 <i>106,131,131</i>	3,688,365 <i>18,799,248</i>
Total	1,034,736,377	320,875,502
<i>Previous year figures are in italic</i>	<i>704,800,381</i>	<i>324,874,079</i>

33 . Related party transaction

a) Name of related parties and description of relationship where controls exists

	Name of the Related Party	Relationship
1	Mr. M. H. Dhananjaya Mr. D. Sudhanva Mrs Lajwanti Sudhanva	Key Management Personnel ("KMP")
2	Pedanta Technologies Pvt Ltd	Holding Company
3	Excel Education and E-learning Trust	Enterprises over which key management personnel and their relatives are able to exercise significant influence
4	Excelsoft Technologies Pte Ltd Singapore (formerly known as Imfinity Pte. Ltd) Freedom to Learn Limited UK Meteor Online Learning Ltd, UK Excelsoft Technologies Inc, USA	Wholly owned Subsidiary ("WOS")
5	Enhanced Education Pvt Ltd	Key Management Personnel are directors of the company
6	Mr Adarsh M S	Relative of a Director
7	Mrs. Shruthi Sudhanva	Relative of a Director



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b) Transactions with the related parties

Particulars	Relationship	Year ended March 31, 2020	Year ended March 31, 2019
Sale of software service and learning solutions			
Excel Education and E-learning Trust	Enterprises over which key management personnel and their relatives are able to exercise significant influence	42,692,400	35,145,000
Excel Public School Hootagalli (A Unit of SMCK Edukate LLP)		2,186,941	-
Enhanced Education Pvt Ltd	Key management personal is director of the company	345,268	3,103,400
Rent income			
Excel Education and E-learning Trust	Enterprises over which key management personnel and their relatives are able to exercise significant influence	6,278,903	4,686,480
Remuneration paid			
Mr. M H Dhananjaya	KMP	5,400,000	5,400,000
Mr. D Sudhanva		11,987,760	11,987,760
Mrs. Shruthi Sudhanva	(Employed in the ordinary course of Business. Remuneration includes contribution to recognised funds.) Relative of a Director	1,521,600	1,521,600
Mr Adarsh M S		2,259,460	-
Rent and maintenance expense			
Mr. M H Dhananjaya	KMP	336,936	336,936
Mr. D Sudhanva		336,936	336,936
Lease deposit and Right-of-use assets			
Pedanta Technologies Pvt Ltd	Holding Company	1,113,410,702	-
Loan from directors			
Prof. M H Dhananjaya	KMP	-	14,000,000
Mr. D. Sudhanva		34,275,842	73,000,000
Mrs Lajwanti Sudhanva		-	30,000,000



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Particulars	Relationship	Year ended March 31, 2020	Year ended March 31, 2019
Loan repayment to directors			
Prof. M H Dhananjaya		-	14,000,000
Mr. D. Sudhanva	KMP	21,623,850	68,341,168
Mrs Lajwanti Sudhanva		5,300,000	74,700,000

c) Outstanding balances at the end of the year - Receivable

Particulars	Relationship	As at March 31, 2020	As at March 31, 2019
Pedanta Technologies Pvt Ltd	Holding Company	79,758,918	1,178,700,000
Excel Education and E-learning Trust	Enterprises over which key management personnel and their relatives are able to exercise significant influence	56,349,905	41,471,100

d) Outstanding balances at the end of the year - Payable

Particulars	Relationship	As at March 31, 2020	As at March 31, 2019
Mr. M. H. Dhananjaya	Key Management Personnel ("KMP")	-	303,242
Mr. D. Sudhanva		12,651,992	14,962,074
Mrs Lajwanti Sudhanva		-	5,300,000
Excel Public School Hootagalli (A Unit of SMCK Edukate LLP)	Enterprises over which key management personnel and their relatives are able to exercise significant influence	152,659	-
Desiadda Crafts Works LLP		146,027	-



Consolidated financial statement.

Notes forming part of the Consolidated Financial Statements

e) Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

Name of the entity	Net Assets		Share in profit or loss	
	as % of consolidated net assets	Amount	as % of consolidated profit or loss	Amount
Excelsoft Technologies Pvt Ltd	96.14%	2,012,574,145	(123.87)%	(62,500,939)
Foreign Subsidiaries				
Excelsoft Technologies Inc, USA	2.12%	44,469,380	21.99%	11,094,700
Excelsoft Technologies Pte Ltd Singapore (formerly known as Imfinity Pte. Ltd)	1.72%	36,107,471	(0.24)%	(121,348)
Meteor Online Learning Limited	0.00%	(0)	0.77%	389,466
Freedom to Learn limited UK	0.01%	126,394	1.35%	682,017
Total	100.00%	2,093,277,389	100.00%	(50,456,104)

34 . Financial risk management objectives and policies

The entity's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the entity's operations to support its operations. The entity's principal financial assets include trade and other receivables, rental and bank deposits and cash and cash equivalents that are derived directly from its operations.

The entity is exposed to market risk/credit and liquidity risks. The entity's senior management oversee the management of these risks. The board reviews their activities. No significant derivative activities have been undertaken so far.

a 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 risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the positions as at March 31, 2020 and March 31, 2019



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The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumption has been made in calculating sensitivity analysis.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019 including the effect of hedge accounting.

i. 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 company's exposure to the risk of changes in foreign exchange rates relates primarily to the some of the vendor payments and customer receivables.

The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on March 31, 2020 are as under

Particulars	As at March 31, 2020		As at March 31, 2019	
	FCY	Amount ₹	FCY	Amount ₹
Assets (Receivables)				
USD	8,348,479	591,050,361	7,857,252	333,974,788
GBP	719,915	64,920,992	3,171,369	66,582,785
AUD	469,290	22,802,276	394,864	19,884,097
SGD	774,166	39,970,741	-	-
AED	925,516	18,201,097	90,000	869,400
EUR	6,957	539,119	2,925	235,253
MYR	271,103	4,566,232	570,421	7,848,417
SAR	1,455,302	27,153,549	-	-
Liabilities (Payables)				

35 . Employee stock-option scheme

The Company formulated employee stock option plan "ESOS 2008" in April 2009 which covers employees of the Company including its wholly owned subsidiary. The scheme was approved by the board of directors of the Company on 24.02.2009 and administered by it. As per the scheme, based on the eligible criteria, as decided by the board from time to time, employee shall be granted stock option entitling one equity share of Rs 10 for each option in the Company's equity share capital.

The options shall be granted in tranches vesting over the period subject to time and performance linked conditions at different exercised price to different tranches. The details of the scheme as given below:




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	Grant 1	Grant 2	Grant 3	Grant 4
Options granted	24,374	14,500	7,500	4,700
Exercise price	600	50	250	2,572
Date on which options will vest to the participant of the scheme				
02-Apr-2009	5,121	3,860	-	-
02-Apr-2010	8,018	-	1,500	-
02-Apr-2011	5,619	2,128	2,250	-
01-Jan-2012	-	-	-	400
02-Apr-2012	5,616	3,196	3,750	-
01-Jan-2013	-	-	-	600
02-Apr-2013	-	5,316	-	200
01-Jan-2014	-	-	-	1,000
02-Apr-2014	-	-	-	775
02-Apr-2015	-	-	-	1,025
02-Apr-2016	-	-	-	700
Period within which option will be exercised	5 years from the date of vesting	5 years from the date of vesting	7 years from the date of grant	5 years from the date of vesting

Employee stock option activity under the scheme ESOS 2008

	Exercise price	March 31, 2020		March 31, 2019	
		Shares arising out of option	Weighted average remaining contractual term (in months)	Shares arising out of option	Weighted average remaining contractual term (in months)
Outstanding at the beginning of the year	50	3,410	-	4,210	-
	2,572	500	9	900	19
Granted during the period	50	-	-	-	-
	2,572	-	-	-	-
Forfeited during the year	50	-	-	800	-
	2,572	-	-	400	-
Exercised during the year	50	-	-	-	-
	2,572	-	-	-	-
Outstanding at the end of the year	50	3,410	-	3,410	-
	2,572	500	-	500	9
Exercisable at the end of the year	50	3,410	-	3,410	-
	2,572	500	-	500	9



Consolidated financial statement:

Notes forming part of the Consolidated Financial Statements

36 . Contingent liabilities (to the extent of which not provided for)

Particulars	March 31, 2020	March 31, 2019
Bank Guarantee	2,830,473	2,787,515

- 37 . As per the information available with the company, the amount payable to the micro enterprises and small enterprises are to the extent of Rs. 67,09,074/- (previous year Nil). The said payable are not beyond 45 days.

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

38 . Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

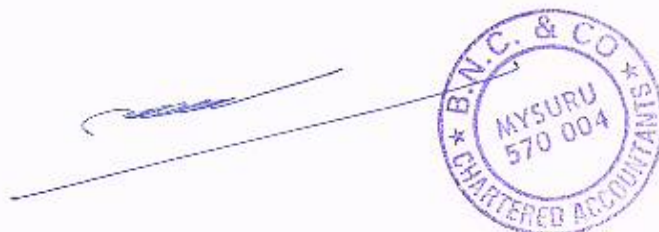
Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income 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 income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.



Notes forming part of the Consolidated Financial Statements

Deferred tax assets / (liabilities) in relation to	Assets	Liabilities	Net
Property, plant and equipment and intangible assets	-	142,430,511	(142,430,511)
Provision for employee benefits	32,391,065	-	32,391,065
Cash flow hedges	930,548	-	930,548
Receivables, financial assets at amortised cost	5,581,609	-	5,581,609
MAT credit entitlement	4,651,048	-	4,651,048
Others	17,307,715	4,087,874	13,219,841
Total	60,861,985	146,518,385	(85,656,400)

- 39 . All figures have been rounded-off to the nearest Rupee. Previous Year's figures have been re-grouped/reclassified wherever necessary to confirm to the current year presentation.

This is the financial statements referred to in my report of even date
for **B.N.C. & Co.,**
Chartered Accountants


(B.N. Chandrashekhara)
Proprietor
Membership No 203078
ICAI Firm Registration No. 081885

Place: Mysore
Date: 23-12-2020

UDIN: 21203078AAAACH4777



for and on behalf of the Board


M. H. Dhananjaya
Chairman
DIN: 00423968


D. Sudhanva
Managing Director
DIN: 00423641