

**BALANCE SHEET AS AT MARCH 31, 2022**

	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	5	3,035.95	2,944.82
(b) Right-of-use assets	6	19,379.21	20,178.35
(c) Other intangible assets	7	10,596.15	8,338.67
(d) Intangible assets under development	8	1,300.73	3,675.42
(e) Financial assets			
(i) Investments	9	242.08	241.84
(ii) Other financial assets	10	1,730.97	996.21
(f) Deferred tax assets (net)		-	221.06
(g) Income tax assets (net)		131.03	359.10
<b>Total non-current assets</b>		<b>36,416.12</b>	<b>36,955.47</b>
<b>(2) Current assets</b>			
(a) Financial assets			
(i) Trade receivables	11		
Billed		3,413.73	2,751.45
Un-billed		495.18	557.39
(ii) Cash and cash equivalents	12	169.34	29.88
(iii) Bank balances other than (ii) above	13	833.93	513.26
(iv) Loans	14	2.53	5.83
(b) Income tax assets (net)		118.16	93.49
(c) Other current assets	15	571.04	302.00
<b>Total current assets</b>		<b>5,603.91</b>	<b>4,253.30</b>
<b>TOTAL ASSETS</b>		<b>42,020.03</b>	<b>41,208.77</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share capital	16	159.36	159.36
(b) Other equity		25,177.67	23,288.77
<b>Total equity</b>		<b>25,337.03</b>	<b>23,448.13</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	6,921.78	10,765.43
(b) Provisions	18	1,167.06	1,088.67
(c) Deferred tax liabilities (net)		169.96	-
<b>Total non current liabilities</b>		<b>8,258.80</b>	<b>11,854.10</b>



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<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	6,179.24	4,401.46
(ii) Trade payables	20		
(A) Total outstanding dues of micro enterprises and small enterprises		28.23	82.17
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		731.61	223.30
(b) Other current liabilities	21	1,131.82	967.37
(c) Provisions	22	278.10	232.24
(d) Income tax liabilities (net)		75.20	-
<b>Total current liabilities</b>		<b>8,424.20</b>	<b>5,906.54</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>42,020.03</b>	<b>41,208.77</b>

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

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

Chartered Accountants

ICAI FRN 08188S

  
**(B.N. Chandrashekhar)**

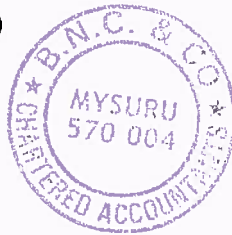
Proprietor

Membership No 203078

Place: Mysore

Date: 05-Sep-2022

UDIN: 22203078ATBUPW7765



for and on behalf of the Board

  
**M. H. Dhananjaya**

Chairman

DIN: 00423968

  
**D. Sudhanva**

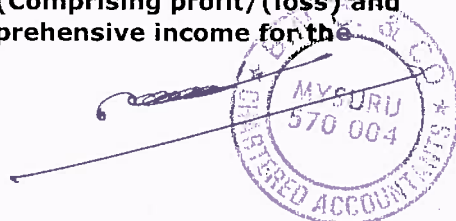
Managing Director

DIN: 00423641



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I Revenue from operations	23	15,684.06	12,090.26
II Other income	24	210.29	228.85
<b>III Total income (I+II)</b>		<b>15,894.35</b>	<b>12,319.11</b>
<b>IV Expenses</b>			
Employee benefits expenses	25	6,837.19	3,835.24
Finance costs	26	1,409.27	1,892.11
Depreciation and amortization expenses	5,6,7	2,414.70	3,302.81
Other expenses	27	2,359.16	1,939.23
<b>Total expenses (IV)</b>		<b>13,020.32</b>	<b>10,969.39</b>
<b>V Profit/(loss) before tax (III-IV)</b>		<b>2,874.03</b>	<b>1,349.72</b>
<b>VI Tax expense</b>			
(1) Current tax		611.46	-
(2) Current tax - MAT		-	226.26
(3) Deferred tax		398.27	375.47
(4) MAT credit entitlement - current tax		-	(133.60)
<b>VII Profit / (loss) for the period from continuing operations (V-VI)</b>		<b>1,864.30</b>	<b>881.59</b>
<b>VIII Profit/(loss) for the period</b>		<b>1,864.30</b>	<b>881.59</b>
<b>IX Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		(28.06)	(54.73)
(i) Income tax relating to items that will not be reclassified to profit or loss		7.06	15.22
B (i) Items that will be reclassified to profit or loss			
a) Deferred gains or losses on cash flow hedges		-	-
b) Foreign currency translation reserve		(0.74)	8.51
(i) Income tax relating to items that will be reclassified to profit or loss		0.19	(2.37)
<b>Total other comprehensive income</b>		<b>(21.55)</b>	<b>(33.37)</b>
<b>X Total comprehensive income for the period (VIII+IX)(Comprising profit/(loss) and other comprehensive income for the period)</b>		<b>1,842.75</b>	<b>848.22</b>



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**

Particulars	Note No.	Year ended	Year ended
		March 31, 2022	March 31, 2021
<b>XI Earnings per equity share (for continuing operation)</b>			
Basic (in ₹)		116.98	55.32
Diluted(in ₹) (Paid up value per share)		116.69 10.00	55.18 10.00
<b>XII Earnings per equity share(for discontinued &amp; continuing operations)</b>			
Basic (in ₹)		116.98	55.32
Diluted(in ₹)		116.69	55.18

**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

ICAI FRN 08188S

  
**(B.N.Chandrashekhar)**

Proprietor

Membership No 203078

Place: Mysore

Date: 05-Sep-2022

UDIN: 22203078ATB0PW7765



for and on behalf of the Board

  
**M. H. Dharmajaya**

Chairman

DIN: 00423968

  
**D. Sudhanva**

Managing Director

DIN: 00423641



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
<b>Net profit before taxation</b>	<b>1,864.30</b>	<b>881.59</b>
Adjustments to reconcile net profit to net cash from operating activities		
Income tax expenses	1,009.73	468.12
Depreciation and amortization expenses	2,414.70	3,302.81
Finance costs	1,142.96	1,892.06
Impairment loss recognized / (reversed) under expected credit loss model	-	224.10
Interest income	(139.63)	(174.53)
Rental income	(70.63)	(53.82)
Exchange difference on items grouped under financing activities	266.31	0.05
Unrealised foreign exchange loss / (gain)	3.18	-
(Profit)/loss on sale of assets	-	12.18
<b>Operating profit before working capital changes</b>	<b>6,490.92</b>	<b>6,552.56</b>
<b>Movements in working capital</b>		
Trade receivables and unbilled revenue	(601.86)	(198.08)
Other financial assets and other assets	59.01	487.00
Trade payables	452.98	(465.82)
Other financial liabilities, other liabilities and provisions	260.01	77.76
Income tax paid	(611.46)	(226.26)
<b>Net cash from operating activities</b>	<b>6,049.60</b>	<b>6,227.16</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including net movement in capital work in progress, capital advances and payables in respect of property, plant and equipment)	(288.74)	(173.87)
Sale of property, plant and equipment	-	4.06
Internal capitalisation of intangible assets	(1,300.73)	(2,562.71)
Investment	(0.24)	-
Rental income	70.63	53.82
Interest received	139.63	65.68
Other financial assets	(734.76)	(29.44)
Deposits with banks	(320.67)	(12.49)
<b>Net cash (used in) investing activities</b>	<b>(2,434.88)</b>	<b>(2,654.95)</b>

Net cash (used in) investing activities



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>C. Cash flows from financing activities</b>		
Proceeds from borrowings	8,602.81	215.62
Repayment of borrowings	(10,668.68)	(1,882.56)
Interest paid	(1,409.27)	(1,892.11)
<b>Net cash (used in) financing activities</b>	<b>(3,475.14)</b>	<b>(3,559.05)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>139.46</b>	<b>13.17</b>
Cash and cash equivalents at the end of the year	169.34	29.88
Cash and cash equivalents at the beginning of the year	29.88	16.71
<b>Net increase in cash and cash equivalents</b>	<b>139.46</b>	<b>13.17</b>
Note 1:		
Cash and cash equivalents include:		
Balance with banks		
- in current accounts	169.34	29.88
<b>Total cash and cash equivalents</b>	<b>169.34</b>	<b>29.88</b>

Note 2:

Figures in brackets represent outflows of cash and cash equivalents

Note 3:

The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standards (IND-AS) 7 on statement of cash flows

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

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

Chartered Accountants

ICAI FRN 08188S

**(B.N.Chandrashekhar)**

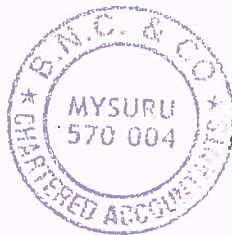
Proprietor

Membership No 203078

Place: Mysore

Date: 05-Sep-2022

UDM: 22203078ATB0PW7765



for and on behalf of the Board

  
**M. H. Dhananjaya**

Chairman

DIN: 00423968

  
**D. Sudhanva**

Managing Director

DIN: 00423641



## STATEMENT OF CHANGES IN EQUITY

	As at	
	March 31, 2022	March 31, 2021
<b>A. Share capital</b>	<b>159.36</b>	<b>159.36</b>
<b>Balance at the beginning of the year</b>		
Changes in equity share capital during the year		
<b>Balance at the end of the year</b>	<b>159.36</b>	<b>159.36</b>

**B. Other equity**

Particulars	Reserves and surplus				Items of other comprehensive income			Total
	Securities premium	Employee stock option reserve	General reserve	Surplus in profit and loss account	Foreign currency translation reserve	Cash flow hedging reserve		
<b>Balance as at 1st April 2020</b>	423.70	25.47	1,374.11	19,136.79	(6.27)	(24.14)	20,929.66	
Profit for the year	-	-	-	881.59	-	-	881.59	
Cash Flow hedging reserve transferred to profit and loss account on termination of contract	-	-	-	-	-	24.14	24.14	
Deferred tax adjustment for prior year	-	-	-	1,440.23	-	-	1,440.23	
MAT credit adjustment for prior year	-	-	-	46.51	-	-	46.51	
Other comprehensive income/(loss)	-	-	-	(39.50)	6.14	-	(33.36)	
<b>Balance as at 31st March 2021</b>	<b>423.70</b>	<b>25.47</b>	<b>1,374.11</b>	<b>21,465.62</b>	<b>(0.13)</b>	<b>-</b>	<b>23,288.77</b>	
Balance as at 1st April 2021	423.70	25.47	1,374.11	21,465.62	(0.13)	-	23,288.77	
Profit for the year	-	-	-	1,864.30	-	-	1,864.30	
MAT credit written off due to change in tax regime	-	-	-	46.15	-	-	46.15	
Other comprehensive income/(loss)	-	-	-	(21.00)	(0.55)	-	(21.55)	
<b>Balance as at 31st March 2022</b>	<b>423.70</b>	<b>25.47</b>	<b>1,374.11</b>	<b>23,355.07</b>	<b>(0.68)</b>	<b>-</b>	<b>25,177.67</b>	

for and on behalf of the Board

**for B.N.C. & Co.,**  
Chartered Accountants  
ICAI FRN 081885

**(B.N.Chandrashekar)**

Proprietor

Membership No 203078

Place: Mysore

Date: 05-Sep-2022

UDIN: 22203078ATBUPW7765

**M. H. Dhananjaya**  
Chairman  
DIN: 00423968

**D. Sudhanva**

Managing Director

DIN: 00423641

**Notes forming part of the financial statements****1. Company overview**

Excelsoft Technologies Private Limited (Excelsoft or the Company) provides innovative technology-based solutions in the education and e-learning space. The Company architects, designs and develops technology solutions and digital content and has established itself in a leadership position in the e-learning business. The Company'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 Company'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, 2022 the Pedanta Technologies Private Limited is the holding company owns controlling stake of the company's equity along with its promoters.

**2. Basis of preparation**

The standalone 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 defined benefit obligation and certain financial instruments which are measured at fair values or amortised cost at the end of each accounting period.

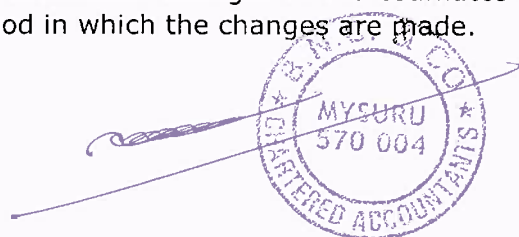
Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company'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 Company has considered an operating cycle of 12 months.

The statement of cash flows has 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. 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.

**Standalone financial statements**



**Notes forming part of the financial statements**

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

**a. Revenue recognition**

The Company uses the percentage-of-completion method in accounting for other fixed-price contracts. Use of the percentage-of-completion method requires the Company 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.

**b. Provision for income tax and deferred tax assets**

The Company 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, including amount expected to be paid or recovered for uncertain tax positions. 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 Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

**c. Property, plant and equipment**

The Company 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.

**d. Other intangible assets**

The Company 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.

**e. Leases**

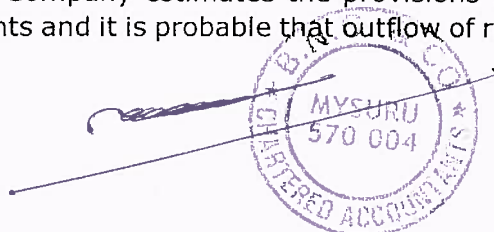
The Company evaluates if an arrangement qualifies to be a lease as per the requirements of the Ind As 116. Identification of lease requires significant judgment. The Company uses the significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

**f. Employee benefits**

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

**g. Provisions and contingent liabilities**

The Company 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.



**Notes forming part of the financial statements**

These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates.

The Company 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 Company 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.

**4. Significant accounting policies****i. Revenue recognition**

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

Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company 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.

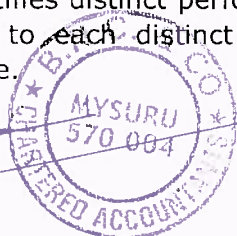
Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Revenue on time-and-material and unit-of-work-based contracts, are recognized on output basis measured by units delivered, efforts expended, number of transactions processed etc.

Revenue related to fixed-price maintenance and support revenue is recognized rateably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or the Company is standing ready to provide the services.

Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method of accounting with contract cost incurred determining the degree of completion of the performance obligation. 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.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concession and incentives, if any, as specified in the contract with the customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract and allocates the transaction price to each distinct performance obligation based on the relative standalone selling price.



**Notes forming part of the 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 accordance with Ind-AS 37, the Company recognise an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

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 Company expects to recover them. Any capitalized contract costs are amortized, with the expense recognized as the Company transfers the related goods or services to the customer. The Company presents revenues net of indirect taxes in its Consolidated Statement of Profit and Loss.

The Company disaggregates revenue from contracts with customers by geography and business verticals.

**ii. Property, plant and equipment**

Property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use and any trade discounts and rebates are deducted in arriving at the purchase price. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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.

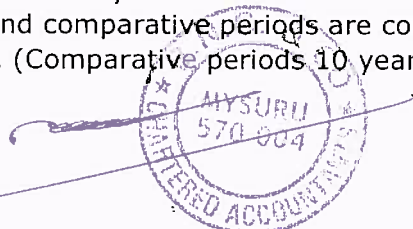
Subsequent expenditure related to Property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are recognized in the Statement of Profit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

The Company doesn't have any Benami Property under the Benami Transactions (Prohibition Act), 1988.

**iii. 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 is 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 10 years)



**Notes forming part of the 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 Company 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 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.

**iv. Impairment****a) Financial assets**

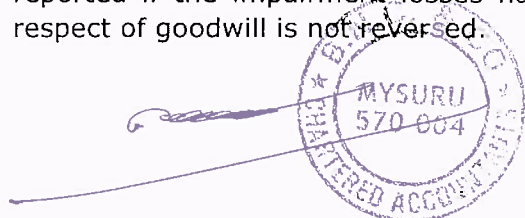
The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables, unbilled receivables, contract assets and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash 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 Company 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,

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.



**Notes forming part of the financial statements****v. Leases**

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

The Company recognises the right-of-use assets and lease liability at the commencement date of the lease. The right of use asset is initially measured at cost, which comprises of present value of future lease rent payments adjusted for any payments made at or before commencement date, any initial direct cost incurred and estimate of cost to dismantle or remove an underlying asset or to restore an asset less any lease incentives received. The lease liability is initially measured at present value of lease payments that is not paid at commencement date discounted at implicit rate mentioned in lease or incremental borrowing rate. The generally uses incremental borrowing rate as discount rate. The right of use asset is depreciated using the straight-line method from the commencement date of the lease over useful life of right to use asset.

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

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.

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 statement of profit and loss.

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

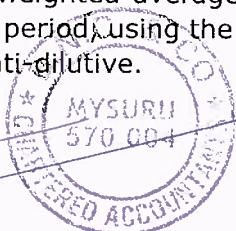
**The Company as a lessor**

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.

**vi. 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.



**Notes forming part of the 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 financial statements by the Board of Directors.

**vii. Functional and presentation currency**

These standalone financial statements are presented in Indian rupees, which is the functional currency of the Company.

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

Transactions in foreign currency are translated into the 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 statement of profit and loss and reported within foreign exchange gains/(losses), net, within results of operating activities. 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 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. When a foreign operation is disposed of, the relevant amount recognized in FCTR is transferred to the statement of profit and loss as part of the profit or loss on disposal.

**ix. Financial assets and liabilities****A) Initial Recognition**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**B) Subsequent measurement****i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it held within a business model whose objectives is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates cash flows that are solely payment of principals and interest on the principal amount outstanding.

**Standalone financial statements**

**Notes forming part of the financial statements****ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both contractual cash flows and selling financial asset and the contractual terms of the financial asset give rise on specified dates cash flows that are solely payment of principals and interest on the principal amount outstanding.

**iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the company has made an irrevocable election for particular investment in equity instrument that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are measured in other comprehensive income.

**C) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**D) Investment in subsidiaries**

Investment in subsidiaries are measured at cost less impairment loss, if any.

**E) Derecognition of financial assets and liabilities**

The Company derecognises a financial asset when the contractual rights to the cash flow from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind-AS 109. A financial liability (or a part of financial liability) is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

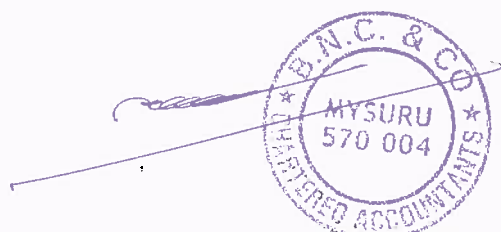
**F) Cash and cash equivalents**

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 balance sheet, bank overdrafts are presented under borrowings within current liabilities.

**G) 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.

**Standalone financial statements**

**Notes forming part of the financial statements****H) 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.

**x. 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 and wages 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 the company 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 are made to the government administered 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.

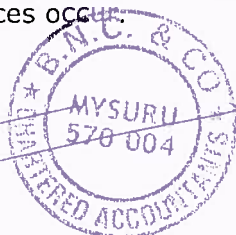
**c. Gratuity**

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees of the company. 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 company.

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 company 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 Statement of Profit and Loss.

**d. Compensated absences**

The Company 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.





**Notes forming part of the financial statements****xi. Employee stock option**

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme, the Company recognise employee compensation expense, using the grant date fair value in accordance with Ind-As 102 – Share Based payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

**xii. 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.

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.

**xiii. Income tax**

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

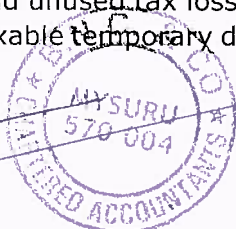
**a. Current income tax**

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 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



**Notes forming part of the financial statements**

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.

**xiv. 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.

**xv. 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.



## Notes forming part of the financial statements

## 5. Property, plant and equipment

Gross block	Land	Buildings	Plant and equipment	Computer hardware	Furniture and fittings	Motor vehicles	Office equipments	Total
<b>Balance as at 01 April 2020</b>	<b>222.91</b>	<b>2,554.26</b>	<b>287.65</b>	<b>1,018.28</b>	<b>237.02</b>	<b>35.05</b>	<b>635.79</b>	<b>4,990.96</b>
Additions	-	-	0.13	124.73	1.25	45.08	2.67	173.86
Less: Disposals	-	11.02	78.32	734.98	140.20	-	200.81	1,165.33
<b>Balance as at 01 April 2021</b>	<b>222.91</b>	<b>2,543.24</b>	<b>209.46</b>	<b>408.03</b>	<b>98.07</b>	<b>80.13</b>	<b>437.65</b>	<b>3,999.49</b>
Additions	-	4.40	-	257.77	12.48	-	14.09	288.74
Less: Disposals	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>222.91</b>	<b>2,547.64</b>	<b>209.46</b>	<b>665.80</b>	<b>110.55</b>	<b>80.13</b>	<b>451.74</b>	<b>4,288.23</b>
<b>Accumulated depreciation/ impairment</b>								
<b>Balance as at 01 April 2020</b>	-	<b>205.66</b>	<b>191.57</b>	<b>965.79</b>	<b>200.71</b>	<b>27.18</b>	<b>445.50</b>	<b>2,036.41</b>
Depreciation and impairment	-	42.43	19.02	36.31	13.97	2.79	52.81	167.33
Less: Disposals	-	3.72	73.87	734.98	136.07	-	200.43	1,149.07
<b>Balance as at 01 April 2021</b>	-	<b>244.37</b>	<b>136.72</b>	<b>267.12</b>	<b>78.61</b>	<b>29.97</b>	<b>297.88</b>	<b>1,054.67</b>
Depreciation and impairment	-	42.09	12.77	89.42	9.97	6.34	37.02	197.61
Less: Disposals	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	-	<b>286.46</b>	<b>149.49</b>	<b>356.54</b>	<b>88.58</b>	<b>36.31</b>	<b>334.90</b>	<b>1,252.28</b>
<b>Net block</b>								
Balance as at 31 March 2021	222.91	2,298.87	72.74	140.91	19.46	50.16	139.77	2,944.82
<b>Balance as at 31 March 2022</b>	<b>222.91</b>	<b>2,261.18</b>	<b>59.97</b>	<b>309.26</b>	<b>21.97</b>	<b>43.82</b>	<b>116.84</b>	<b>3,035.95</b>

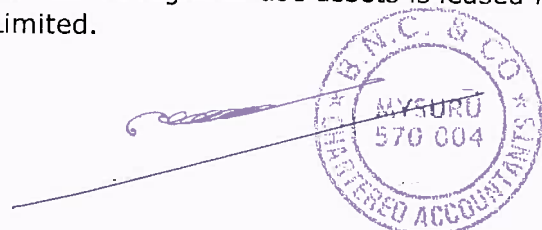


## Notes forming part of the financial statements

## 6. Right-of-use assets

<b>Gross block</b>	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<b>Balance as at 01 April 2020</b>	<b>11,692.42</b>	<b>10,576.76</b>	<b>22,269.18</b>
Additions	-	-	-
Less: Disposals	-	-	-
<b>Balance as at 31 March 2021</b>	<b>11,692.42</b>	<b>10,576.76</b>	<b>22,269.18</b>
Additions	-	-	-
Less: Disposals	-	-	-
<b>Balance as at 31 March 2022</b>	<b>11,692.42</b>	<b>10,576.76</b>	<b>22,269.18</b>
<b>Accumulated depreciation</b>			
<b>Balance as at 01 April 2020</b>	<b>678.20</b>	<b>613.49</b>	<b>1,291.69</b>
Depreciation for the year	419.59	379.55	799.14
Less: Disposals	-	-	-
<b>Balance as at 31 March 2021</b>	<b>1,097.79</b>	<b>993.04</b>	<b>2,090.83</b>
Depreciation for the year	419.59	379.55	799.14
Less: Disposals	-	-	-
<b>Balance as at 31 March 2022</b>	<b>1,517.38</b>	<b>1,372.59</b>	<b>2,889.97</b>
<b>Net block</b>			
Balance as at 31 March 2021	10,594.63	9,583.72	20,178.35
<b>Balance as at 31 March 2022</b>	<b>10,175.04</b>	<b>9,204.17</b>	<b>19,379.21</b>

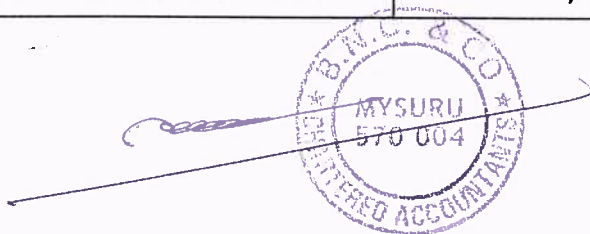
The above Right-of-use assets is leased from the holding company, Pedanta Technologies Private Limited.



## Notes forming part of the financial statements

## 7. Other intangible assets

Gross block	Internally generated - Product development cost	Other computer software	Total
<b>Balance as at 01 April 2020</b>	<b>14,720.86</b>	<b>1,687.56</b>	<b>16,408.42</b>
Additions	-	-	-
Less: Disposals	-	1,620.30	1,620.30
<b>Balance as at 01 April 2021</b>	<b>14,720.86</b>	<b>67.26</b>	<b>14,788.12</b>
Additions	3,675.42	-	3,675.42
Less: Disposals	-	-	-
<b>Balance as at 31 March 2022</b>	<b>18,396.28</b>	<b>67.26</b>	<b>18,463.54</b>
<b>Accumulated amortisation / impairment</b>			
<b>Balance as at 01 April 2020</b>	<b>4,071.12</b>	<b>1,662.29</b>	<b>5,733.41</b>
Amortisation	1,183.66	13.27	1,196.93
Impairment	1,139.41	-	1,139.41
Less: Disposals	-	1,620.30	1,620.30
<b>Balance as at 01 April 2021</b>	<b>6,394.19</b>	<b>55.26</b>	<b>6,449.45</b>
Amortisation	1,408.73	9.21	1,417.94
Impairment	-	-	-
Less: Disposals	-	-	-
<b>Balance as at 31 March 2022</b>	<b>7,802.92</b>	<b>64.47</b>	<b>7,867.39</b>
<b>Net block</b>			
Balance as at 31 March 2021	8,326.67	12.00	8,338.67
<b>Balance as at 31 March 2022</b>	<b>10,593.36</b>	<b>2.79</b>	<b>10,596.15</b>



## Notes forming part of the financial statements

## 8. Intangible assets under development

	Intangible assets under development
<b>Balance as at 01 April 2020</b>	<b>1,112.71</b>
Additions	2,562.71
Less: Capitalised	-
<b>Balance as at 01 April 2021</b>	<b>3,675.42</b>
Additions	1,300.73
Less: Capitalised	3,675.42
<b>Balance as at 31 March 2022</b>	<b>1,300.73</b>

## Ageing of intangible assets under development as on 31-March-2022 is as below:

Intangible assets under development	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	1,300.73	-	-	1,300.73
<b>Total</b>	<b>1,300.73</b>	<b>-</b>	<b>-</b>	<b>1,300.73</b>

## Ageing of intangible assets under development as on 31-March-2021 is as below:

Intangible assets under development	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	2,562.71	1,112.71	-	3,675.42
<b>Total</b>	<b>2,562.71</b>	<b>1,112.71</b>	<b>-</b>	<b>3,675.42</b>



## Notes forming part of the financial statements

## 9 . Investments - non current

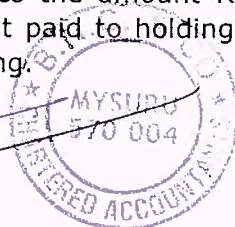
Name of the company	As at March 31, 2022	As at March 31, 2021
<b>a) Investments in equity instruments - Wholly owned subsidiaries (unquoted) fully paid up</b>		
Excelsoft Technologies Pte Ltd, Singapore (2,70,000 shares @ SGD 1 per share)	142.96	142.96
Freedom to Learn Limited, UK (20 shares @ GBP 1 per share)	0.02	0.02
Excelsoft Technologies Inc, USA (1,600 shares @ USD 100 per share)	98.88	98.88
Meteor Online Learning Limited, UK (1,000 Fully paid up class 'A' ordinary shares of GBP 1 per share) (11,50,907 Fully paid up class 'B' ordinary shares of GBP 1 per share)	609.68	609.68
	-	-
<b>Total</b>	<b>851.54</b>	<b>851.54</b>
<b>Impairment of investments in subsidiaries</b>		
Freedom to Learn Limited, UK	0.02	0.02
Meteor Online Learning Limited, UK	609.68	609.68
	<b>609.70</b>	<b>609.70</b>
<b>Total</b>	<b>241.84</b>	<b>241.84</b>
<b>b) Investments in equity instruments (unquoted) fully paid up</b>		
Examic Edtech Private Limited (2,400 shares @ INR 10 per share)	0.24	-
<b>Total</b>	<b>242.08</b>	<b>241.84</b>

## 10 . Other financial assets - non current

Security deposits

As at March 31, 2022	As at March 31, 2021
1,730.97	996.21
<b>1,730.97</b>	<b>996.21</b>

Security deposit includes the amount Rs. 1,681.22 Lakhs (in 2020-21; Rs. 931.44 Lakhs) relating to lease deposit paid to holding company, Pedanta Technologies Private Limited on lease of land and building.



## Notes forming part of the financial statements

11 . Trade receivables  
(Unsecured)

	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good	3,413.73	2,751.45
Trade receivables credit impaired	216.84	216.84
	<b>3,630.57</b>	<b>2,968.29</b>
Less: Allowance for bad and doubtful trade receivables	216.84	216.84
	<b>3,413.73</b>	<b>2,751.45</b>

**Notes:**

Trade receivables from the related parties are disclosed in note 33

The Company's exposure to credit risk, currency risk and loss allowance related to trade receivables are disclosed in note 34

**Ageing of trade receivables as on 31-March-2022 is as below:**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6months	6 months - 1year	1-2years	2-3years	More than 3years	
(i) Undisputed - considered good	3,097.31	58.76	251.90	5.75	-	3,413.72
(ii) Undisputed - considered doubtful	-	-	-	-	216.84	216.84
(iii) Disputed - considered good	-	-	-	-	-	-
(iv) Disputed - considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>3,097.31</b>	<b>58.76</b>	<b>251.90</b>	<b>5.75</b>	<b>216.84</b>	<b>3,630.56</b>

**Less: Allowance for bad and doubtful trade receivables billed**

**(216.84)**

**3,413.72**

Trade receivables - unbilled

495.18

**3,908.90**





## Notes forming part of the financial statements

## Ageing of trade receivables as on 31-March-2021 is as below:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6months	6 months - 1year	1-2years	2-3years	More than 3years	
(i) Undisputed - considered good	2,459.13	263.20	29.12	-	-	2,751.45
(ii) Undisputed - considered doubtful	-	-	-	-	216.84	216.84
(iii) Disputed - considered good	-	-	-	-	-	-
(iv) Disputed - considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>2,459.13</b>	<b>263.20</b>	<b>29.12</b>	<b>-</b>	<b>216.84</b>	<b>2,968.29</b>

## Less: Allowance for bad and doubtful trade receivables billed

(216.84)

**2,751.45**

Trade receivables - unbilled

557.39

**3,308.84**

## Notes forming part of the financial statements

**12 . Cash and cash equivalents**

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

As at March 31, 2022	As at March 31, 2021
169.34	29.88
-	-
<b>169.34</b>	<b>29.88</b>

**13 . Bank balances other than cash and cash equivalents**

- a) Balances with banks  
- Fixed deposit  
- Margin money deposit against guarantees  
- Deposit under lien against over draft

As at March 31, 2022	As at March 31, 2021
150.00	-
33.93	32.20
650.00	481.06
<b>833.93</b>	<b>513.26</b>

**14 . Loans**

Employee advances

As at March 31, 2022	As at March 31, 2021
2.53	5.83
<b>2.53</b>	<b>5.83</b>

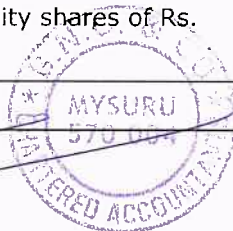
**15 . Other current assets****Advances other than capital advances**

- a) Advance to creditors  
b) Balance with statutory authorities  
c) Prepaid expenses

As at March 31, 2022	As at March 31, 2021
26.78	8.06
329.23	160.45
215.03	133.49
<b>571.04</b>	<b>302.00</b>

**16 . Equity share capital**

	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
30,00,000 (Previous year 30,00,000) equity shares of Rs. 10 each	300.00	300.00
	<b>300.00</b>	<b>300.00</b>
<b>Issued, subscribed and fully paid up</b>		
15,93,642 (Previous year 15,93,642) equity shares of Rs. 10 each fully paid up	159.36	159.36
	<b>159.36</b>	<b>159.36</b>



## Notes forming part of the financial statements

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

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	15,93,642	159.36	15,93,642	159.36
Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>15,93,642</b>	<b>159.36</b>	<b>15,93,642</b>	<b>159.36</b>

**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. Equity shares held by holding company**

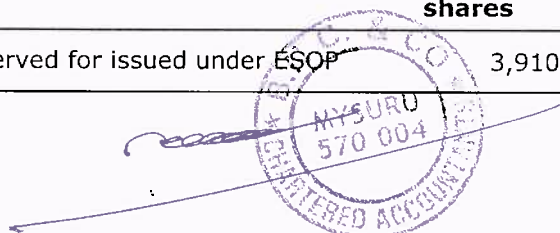
Name of the share holders	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of Holding	Number of shares	% of Holding
Pedanta Technologies Private Limited	7,07,416	44.39%	7,07,416	44.39%

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

Name of the share holders	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of Holding	Number of shares	% of Holding
i D. Sudhanva	5,23,035	32.82%	5,23,035	32.82%
ii M. H. Dhananjaya	1,28,747	8.08%	1,28,747	8.08%
iii Lajwanti Sudhanva	1,92,725	12.09%	1,92,725	12.09%
iv Pedanta Technologies Private Limited	7,07,416	44.39%	7,07,416	44.39%

**e. Shares reserved for issued under options**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Shares reserved for issued under ESOP	3,910	0.39	3,910	0.39



## Notes forming part of the financial statements

## 17 . Borrowings - non current

**Term loans - secured****Term loans from banks**

(USD 36.25 Lakhs equivalent INR 2,300.00/- Lakhs borrowed on 06-Jun-2017, Rate of interest 6M SOFR + 540 bps Spread payable monthly, Repayable in Dec'2022)

(USD 122.57 Lakhs equivalent INR 9,000.00/- Lakhs borrowed on 28-Jun-2021, Rate of interest 6M SOFR + 540 bps Spread payable monthly, Repayable in Jun'2026)

**Term loans (FCNR) from HDFC Bank Limited are secured by:**

Primary security: Exclusive charge on current assets and movable fixed assets.

Secondary collateral: Exclusive charge on equitable mortgage of land and building and personal guarantee of Mr Sudhanva D, Managing Director.

No default in repayment of instalment.

**Term loans from financial institutions**

(Rs. 10,600.00/- Lakhs borrowed on 30-Jun-2019, Rate of interest 13% per annum payable quarterly, Repayable in Mar'2029).

**Term loans from HDFC Limited are secured by:**

Pledging of 97% of equity shares of the company and 100% of equity shares of the holding company and land and building of the company and the holding company and personal guarantee of Mr Sudhanva D, Managing Director.

No default in repayment of instalment.

	As at March 31, 2022	As at March 31, 2021
<b>Term loans - secured</b>		
<b>Term loans from banks</b>	6,921.78	422.75
(USD 36.25 Lakhs equivalent INR 2,300.00/- Lakhs borrowed on 06-Jun-2017, Rate of interest 6M SOFR + 540 bps Spread payable monthly, Repayable in Dec'2022)		
(USD 122.57 Lakhs equivalent INR 9,000.00/- Lakhs borrowed on 28-Jun-2021, Rate of interest 6M SOFR + 540 bps Spread payable monthly, Repayable in Jun'2026)		
<b>Term loans (FCNR) from HDFC Bank Limited are secured by:</b>		
Primary security: Exclusive charge on current assets and movable fixed assets.		
Secondary collateral: Exclusive charge on equitable mortgage of land and building and personal guarantee of Mr Sudhanva D, Managing Director.		
No default in repayment of instalment.		
<b>Term loans from financial institutions</b>	-	10,342.68
(Rs. 10,600.00/- Lakhs borrowed on 30-Jun-2019, Rate of interest 13% per annum payable quarterly, Repayable in Mar'2029).		
<b>Term loans from HDFC Limited are secured by:</b>		
Pledging of 97% of equity shares of the company and 100% of equity shares of the holding company and land and building of the company and the holding company and personal guarantee of Mr Sudhanva D, Managing Director.		
No default in repayment of instalment.		
	<b>6,921.78</b>	<b>10,765.43</b>

## 18 . Provisions - non current

**Provision for employee benefits**

- a) Compensatory absences
- b) Gratuity fund plan liabilities

	As at March 31, 2022	As at March 31, 2021
a) Compensatory absences	198.47	208.39
b) Gratuity fund plan liabilities	968.59	880.28
	<b>1,167.06</b>	<b>1,088.67</b>



## Notes forming part of the financial statements

## 19 . Borrowings - current

**Secured loans****a) Loans repayable on demand from banks**

- Working capital limit

**Working capital loans from HDFC Bank Limited are secured by:**

Primary security: Exclusive charge on current assets and movable fixed assets

Secondary collateral: Exclusive charge on equitable mortgage of land and building and personal guarantee of Mr Sudhanva D, Managing Director.

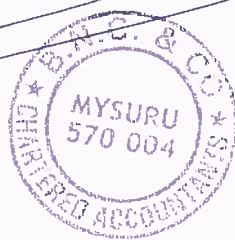
No default in repayment of instalment

**b) Current maturities of long-term borrowings**

- from Banks

- from financial institutions

	As at March 31, 2022	As at March 31, 2021
	4,446.54	3,537.31
	1,732.70	538.15
	-	326.00
	<b>6,179.24</b>	<b>4,401.46</b>



## Notes forming part of the financial statements

## 20 . Trade payables

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	28.23	82.17
Total outstanding dues of creditors other than micro enterprises and small enterprises	731.61	223.30
	<b>759.84</b>	<b>305.47</b>

Total outstanding dues of micro enterprises and small enterprises

Total outstanding dues of creditors other than micro enterprises and small enterprises

**Notes:**

Information about the Company's exposure to foreign currency risk and liquidity risk is disclosed in note 34

**Ageing of trade payables as on 31-March-2022 is as below:**

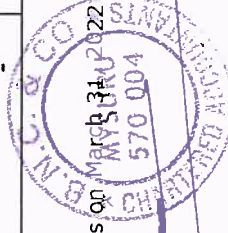
Particulars	Outstanding for following periods from due date of payment					Total
	Accrued expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*	-	28.23	-	-	-	28.23
(ii) Others	-	639.58	-	-	-	639.58
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Accrued expenses	92.03	-	-	-	-	92.03
<b>Total</b>	<b>92.03</b>	<b>667.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>759.84</b>

**Ageing of trade payables as on 31-March-2021 is as below:**

Particulars	Outstanding for following periods from due date of payment					Total
	Accrued expenses	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*	-	82.17	-	-	-	82.17
(ii) Others	-	123.53	-	-	-	123.53
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Accrued expenses	99.77	-	-	-	-	99.77
<b>Total</b>	<b>99.77</b>	<b>205.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>305.47</b>

**\* MSME as per Micro Small and Medium Enterprises Development Act, 2006**

There are no interest due on outstanding dues to micro, small and medium enterprises as on March 31, 2022 and March 31, 2021 and during the year the amount was paid to micro, small and medium enterprises with in the appointed date.



## Notes forming part of the financial statements

**21 . Other current liabilities**

- a) Revenue received in advance  
b) Statutory dues  
c) Employee benefits payable

As at March 31, 2022	As at March 31, 2021
188.40	269.79
412.55	205.47
530.87	492.11
<b>1,131.82</b>	<b>967.37</b>

**22 . Provisions - current****Provision for employee benefits**

- a) Compensatory absences  
b) Gratuity fund plan liabilities

As at March 31, 2022	As at March 31, 2021
74.89	62.70
203.21	169.54
<b>278.10</b>	<b>232.24</b>

**23 . Revenue from operations**

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

Year ended March 31, 2022	Year ended March 31, 2021
12,507.43	9,720.00
3,176.63	2,370.26
<b>15,684.06</b>	<b>12,090.26</b>

**24 . Other income**

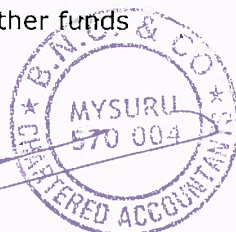
- a) Interest income  
b) Miscellaneous income  
c) Rental income

Year ended March 31, 2022	Year ended March 31, 2021
139.63	174.53
0.03	0.50
70.63	53.82
<b>210.29</b>	<b>228.85</b>

**25 . 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, 2022	Year ended March 31, 2021
6,339.47	3,620.34
207.76	97.03
165.57	87.81
124.39	30.06
<b>6,837.19</b>	<b>3,835.24</b>



## Notes forming part of the financial statements

**26 . Finance costs**

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

Year ended March 31, 2022	Year ended March 31, 2021
1,142.96	1,892.06
266.31	0.05
<b>1,409.27</b>	<b>1,892.11</b>

**27 . Other expenses**

- a) Software development and license charges  
b) Service rendered by business associates and others  
c) Information and communication expenses  
d) Travelling and conveyance expenses  
    Overseas  
    Domestic  
e) Rent  
f) Legal and professional fees  
g) Payment to auditors  
    Statutory audit  
    Other services  
h) Maintenance and upkeep  
    Building  
    Office and computer equipment  
    Others  
i) Electricity and water expenses  
j) Recruitment and training expenses  
k) Printing and stationary  
l) Insurance  
m) Rates and taxes  
n) Business promotion expenses  
o) Provision for bad debts  
p) Exchange loss  
q) Loss on sale of property, plant and equipment  
r) Corporate social responsibility (CSR)  
s) Other expenses

Year ended March 31, 2022	Year ended March 31, 2021
965.46	787.77
562.40	242.32
31.11	31.97
75.57	17.80
4.66	3.06
81.76	84.32
124.43	71.60
2.25	2.25
0.53	-
62.09	33.98
15.13	24.92
32.94	17.73
52.35	53.04
9.46	6.95
2.36	1.19
6.21	5.31
27.82	16.06
76.48	57.62
-	224.10
133.74	162.78
-	12.18
40.88	-
51.53	82.28
<b>2,359.16</b>	<b>1,939.23</b>

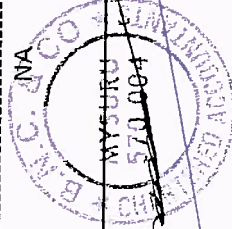




## Notes forming part of the financial statements

## 28 . Ratio analysis

Sl No	Particulars	As at March 31, 2022	As at March 31, 2021	% change	Comments
1	Current ratio	2.50	2.83	-11.67%	
	Current assets / current liabilities				
2	Debt-equity ratio	0.52	0.65	-20.06%	
	Total debt / total shareholder's equity				
3	Debt service coverage ratio	1.48	2.97	-50.19%	10 year long term loan with financial institution is closed by 5 year long term loan from bank with lesser interest rate
	Earnings available for debt service / Debt Service				
4	Return on equity ratio	7.64%	3.96%	93.05%	Consistent improvement in overall sales of the company over last 2 years
	Profit after tax / average equity				
5	Inventory turnover ratio	NA	NA		Not applicable - as there is no inventory
6	Trade receivables turnover ratio	4.35	3.64	19.41%	
	Revenue / average accounts receivable balance				
7	Trade payables turnover ratio	4.43	4.42	0.17%	
	Total other expenses / average accounts payable balance				
8	Net capital turnover ratio	4.67	4.40	6.14%	
	Revenue / working capital				
9	Net profit ratio	11.89%	7.29%	63.01%	Consistent improvement in overall sales of the company over last 2 years
	Profit after tax / revenue				
10	Return on capital employed	13.21%	9.48%	39.40%	Consistent improvement in overall sales of the company over last 2 years
	Earnings before interest and tax / capital employed				
11	Return on investment	NA	NA		Not applicable - as there is no inventory
	Income from investments / average investments				



## Notes forming part of the financial statements

## 29 . Additional information

a) Expenditure in foreign currency  
(net of with-holding tax)

- i) Foreign travel and business promotion expenses  
ii) Service rendered by business associates and others  
iii) Professional charges  
iv) Branch office expenses  
v) Hosting and other software services  
vi) Interest paid

	Year ended March 31, 2022	Year ended March 31, 2021
	64.63	-
	291.82	180.79
	-	10.84
	45.47	32.49
	86.61	-
	392.63	132.32
	<b>881.16</b>	<b>356.44</b>
	14,324.44	10,866.90
	<b>14,324.44</b>	<b>10,866.90</b>

## b) Earnings in foreign exchange

- i) Software exports and consultancy

## 30 . Earnings per equity share

## Profit for the year after tax expense

Weighted average number of equity shares for basic EPS

## Effect of dilution

Share options

Weighted average number of equity shares adjusted for dilution

Paid up value per share

## Earnings per share basic

## Earnings per share diluted

	Year ended March 31, 2022	Year ended March 31, 2021
	<b>1,864.30</b>	<b>881.59</b>
	15,93,642	15,93,642
	3,910	3,910
	15,97,552	15,97,552
	10.00	10.00
	<b>116.98</b>	<b>55.32</b>
	<b>116.69</b>	<b>55.18</b>

## 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

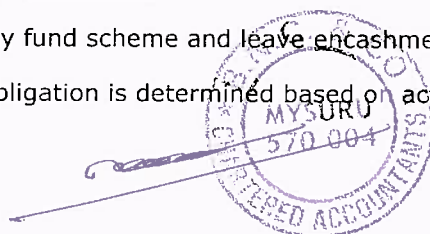
Employer's contribution to provident and pension funds

	Year ended March 31, 2022	Year ended March 31, 2021
	192.79	90.19

## b) Defined benefit plan - unfunded

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.



## Notes forming part of the financial statements

## 1 Reconciliation of opening and closing balances of defined benefit obligation

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Defined benefit obligation at beginning of the year</b>	<b>2,010.17</b>	<b>907.91</b>
Current service cost	1,171.80	1,049.81
Past service cost	-	-
Interest cost	60.80	54.02
Actuarial (gain)/ loss	28.06	54.73
Benefits paid	(71.64)	(56.30)
<b>Defined benefit obligation at end of the year</b>	<b>3,199.19</b>	<b>2,010.17</b>

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

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Fair value of plan assets at beginning of the year</b>	-	-
Expected return on plan assets	-	-
Employer contribution	71.64	56.30
Benefits paid	(71.64)	(56.30)
Actuarial gain/(loss)	-	-
Fair value of plan assets at year end	-	-
<b>Reconciliation of fair value of assets and obligations</b>		
Fair value of plan assets	-	-
<b>Present value of obligation</b>	<b>3,199.19</b>	<b>2,010.17</b>
<b>Amount recognized in balance sheet under liabilities</b>	<b>3,199.19</b>	<b>2,010.17</b>

## 3 Expense recognized during the year: (under "Note 25" "Employee benefit expenses" in the statement of profit and loss)

	Year ended March 31, 2022	Year ended March 31, 2021
<b>In income statement</b>		
Current service cost	1,171.80	1,049.81
Past service cost	-	-
Interest cost	60.80	54.02
Expected return on plan assets	-	-
<b>In other comprehensive income</b>		
Actuarial (gain)/ loss	28.06	54.73
<b>Net cost</b>	<b>1,260.66</b>	<b>1,158.56</b>

**Actuarial assumptions**

Mortality table

Discount rate (per annum)

Expected rate of return on plan assets (per annum)

	Year ended March 31, 2022	Year ended March 31, 2021
Indian Assured Lives (2006 -08) (Ultimate)	6.75%	6.30%
Indian Assured Lives (2006 -08) (Ultimate)	7.00%	7.00%



**Notes forming part of the financial statements**

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.

**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, 2022	
	Decrease	Increase
Change in discounting rate (delta effect of +/- 0.5%)	1,135.31	1,202.80
Change in rate of salary increase (delta effect of +/- 0.5%)	1,210.51	1,141.53

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.

**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, 2022	Segment debtors as at March 31, 2022
India	1,337.30 <i>1,157.09</i>	795.62 <i>1,010.13</i>
North America	9,844.24 <i>7,376.95</i>	1,126.78 <i>789.96</i>
Europe	141.44 <i>169.41</i>	3.70 <i>16.17</i>
Asia other than India	1,647.90 <i>1,708.78</i>	910.96 <i>735.08</i>
Other countries	2,713.17 <i>1,678.02</i>	793.51 <i>416.95</i>
<b>Total</b>	<b>15,684.05</b>	<b>3,630.57</b>

*Previous year figures are in italic*

**12,090.25**

**2,968.29**

**Standalone financial statements**



## Notes forming part of the financial statements

## 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	Director / Key Management Personnel ("KMP")
2	Pedanta Technologies Private Limited	Holding Company
3	Excel Education and E-learning Trust	Enterprises over which key management personnel are having control
	Excel Edukate Trust	
	Desiadda Crafts Works LLP	
	SMCK Edukate LLP	
4	Excelsoft Technologies Pte Ltd, Singapore (formerly known as Imfinity Pte Ltd)	Wholly Owned Subsidiary ("WOS")
	Freedom to Learn Limited, UK	
	Meteor Online Learning Limited, UK	
	Excelsoft Technologies Inc, USA	
5	Enhanced Education Private Limited	Common control by the Key Management Personnel of the company
6	Mrs. Shruthi Sudhanva	Relative of a Director
7	TIE Mysuru Association	The person having control over the company is KMP of the entity
8	Examic Edtech Private Limited	Associate company

## b) Transactions with the related parties

Particulars	Relationship	Year ended March 31, 2022	Year ended March 31, 2021
<b>Sale of software service and learning solutions</b>			
Excelsoft Technologies Pte Ltd, Singapore	Wholly Owned Subsidiary	1,063.20	293.59
Excelsoft Technologies Inc, USA		1,564.66	1,680.20
Excel Education and E-learning Trust	Enterprises over which key management personnel are having control	193.50	479.12
Excel Edukate Trust		85.00	1.65
<b>Reimbursement of marketing and order securing expenses</b>			
Excelsoft Technologies Pte Ltd, Singapore	Wholly Owned Subsidiary	136.22	-
Excelsoft Technologies Inc, USA	Wholly Owned Subsidiary	132.58	-

## Notes forming part of the financial statements

Particulars	Relationship	Year ended March 31, 2022	Year ended March 31, 2021
<b>Rental income</b>			
Excel Education and E-Learning Trust	Enterprises over which key management personnel are having control	66.68	63.51
Enhanced Education Private Limited	Key Management Personnel are directors of the company and having control over the company	16.66	-
<b>Remuneration paid</b>			
Mr. M. H. Dhananjaya	Director / Key Management Personnel ("KMP")	54.00	54.00
Mr. D. Sudhanva		240.00	150.22
Mrs. Shruthi Sudhanva	Relative of a Director	16.20	15.22
<b>Rent and maintenance expenses</b>			
Mr. M. H. Dhananjaya	Director / Key Management Personnel ("KMP")	3.36	3.37
Mr. D. Sudhanva		3.36	3.37
<b>Lease deposit and Right-of-use assets</b>			
Pedanta Technologies Private Limited	Holding Company	123.71	133.85
<b>Loan from directors</b>			
Mr. D. Sudhanva	Director / Key Management Personnel ("KMP")	79.36	37.50
<b>Loan repayment to directors</b>			
Mr. D. Sudhanva	Director / Key Management Personnel ("KMP")	79.36	310.61
<b>Payment towards Subscription and other expenses</b>			
TIE Mysuru Association	The person having control over the company is KMP of the entity	5.40	-
<b>Investment made</b>			
Examic Edtech Private Limited	Associate company	0.24	-



## Notes forming part of the financial statements

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

Particulars	Relationship	As at March 31, 2022	As at March 31, 2021
Excelsoft Technologies Pte Ltd, Singapore	Wholly Owned Subsidiary ("WOS")	819.08	263.75
Freedom to Learn Limited, UK		250.01	216.84
Excelsoft Technologies Inc, USA		361.96	-
Pedanta Technologies Private Limited	Holding Company	1,681.22	931.44
Excel Education and E-learning Trust	Enterprises over which key management personnel are having control	455.49	661.15
Excel Edukate Trust		25.08	23.52

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

Particulars	Relationship	As at March 31, 2022	As at March 31, 2021
Desiadda Crafts Works LLP	Enterprises over which key management personnel are having control	5.44	6.68
Enhanced Education Private Limited	Key Management Personnel are directors of the company and having control over the company	7.56	19.28

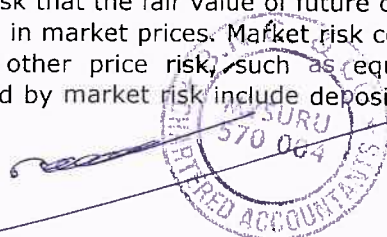
## 34 . Financial risk management objectives and policies

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.



**Notes forming part of the financial statements**

The sensitivity analysis in the following sections relate to the positions as at March 31, 2022 and March 31, 2021.

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, 2022 and March 31, 2021 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.

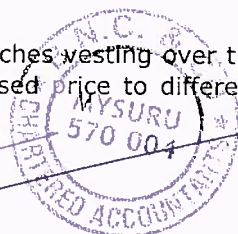
The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on March 31, 2022 are as under:

Particulars	As at March 31, 2022		As at March 31, 2021	
	FCY	Amount ₹	FCY	Amount ₹
Assets (Receivables)				
USD	16.15	1,220.75	12.04	883.47
GBP	7.63	740.62	4.06	385.67
AUD	0.70	39.47	0.40	22.52
SGD	12.25	677.45	4.85	266.96
AED	0.08	1.56	3.30	65.61
EUR	0.04	3.70	0.18	16.17
MYR	2.35	41.87	5.51	99.33
SAR	5.34	107.74	11.01	214.81
Liabilities (Payables)	14.05	1,050.71	-	-

**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 February 24, 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:





## Notes forming part of the financial statements

	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

	As at March 31, 2022			As at March 31, 2021	
	Exercise price (Amount in Rs)	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

## Notes forming part of the financial statements

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

Particulars	As at March 31, 2022	As at March 31, 2021
Bank Guarantee	5.16	32.20

## 37 . (i) Income taxes

The income tax expense consist of following:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current tax - MAT</b>		
Tax on the profit	-	226.26
<b>Total current tax - MAT expense (a)</b>	<b>-</b>	<b>226.26</b>
<b>Current tax</b>		
Tax on the profit	611.46	-
<b>Total current tax expense (b)</b>	<b>611.46</b>	<b>-</b>
<b>Deferred tax</b>		
Attributable to -		
Origination and reversal of temporary differences	398.27	375.47
<b>Total deferred tax expense (c)</b>	<b>398.27</b>	<b>375.47</b>
<b>MAT credit entitlement - current tax (d)</b>	<b>-</b>	<b>(133.60)</b>
<b>Total tax expense (a+b+c+d)</b>	<b>1,009.73</b>	<b>468.13</b>

The deferred tax relates to origination/reversal of temporary differences.

## (ii) Deferred tax

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.

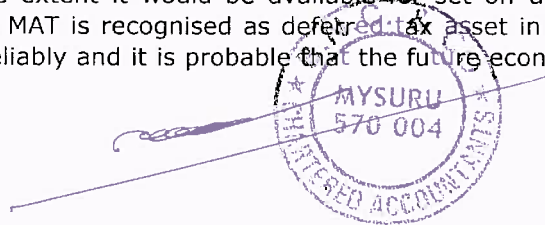
Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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 financial statements

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax assets</b>		
- Provision for gratuity	302.00	307.28
- Provision for leave encashment	68.80	75.42
- Others	0.82	1.04
- Brought forward losses	-	368.37
- Lease liabilities	5,503.66	6,124.48
- Investment impairment	153.46	169.62
- Provision for doubtful debts and advances	54.58	60.33
- Foreign translation reserve - Malaysia Branch	0.19	(2.37)
	<b>6,083.51</b>	<b>7,104.17</b>
<b>Deferred tax liabilities</b>		
- Excess of depreciation/amortisation on property, plant and equipment under income tax law over depreciation/amortisation provided in accounts	377.45	386.46
- Excess of depreciation/amortisation on intangible assets under income tax law over depreciation/amortisation provided in accounts	998.29	883.04
- Right to use assets	4,877.74	5,613.61
- Others	-	-
	<b>6,253.48</b>	<b>6,883.11</b>
<b>Net deferred tax assets / (liabilities)</b>	<b>(169.97)</b>	<b>221.06</b>

## 38 . Corporate social responsibility (CSR)

Particulars	Amount
Two percent of average net profit of the Company as per Section 135(5) of the Act	(11.49)
Prescribed CSR expenditure (2% of average net profits as above)	-
Total amount spent for the financial year	40.88
Excess amount spent for the financial year	40.88
Amount unspent from previous year 2021 carried forward	(12.00)
<b>Amount available for set off in succeeding financial years</b>	<b>28.88</b>

39 . All figures have been rounded-off to lakhs except earnings per share. 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

ICAI FRN 08188S

**(B.N.Chandrashekhar)**

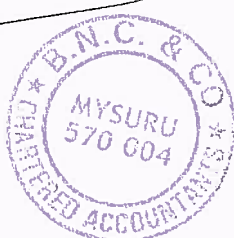
Proprietor

Membership No 203078

Place: Mysore

Date: 05-Sep-2022

UDIN: 22203078ATBUPW7765



for and on behalf of the Board

**M. H. Dhahanjaya**

Chairman

DIN: 00423968

**D. Sudhanva**

Managing Director

DIN: 00423641

